

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, DECEMBER 10, 1931

REINSURANCE

ASSURES UNDERWRITING COMFORT—AN
IMPORTANT THING IN THESE TIMES.

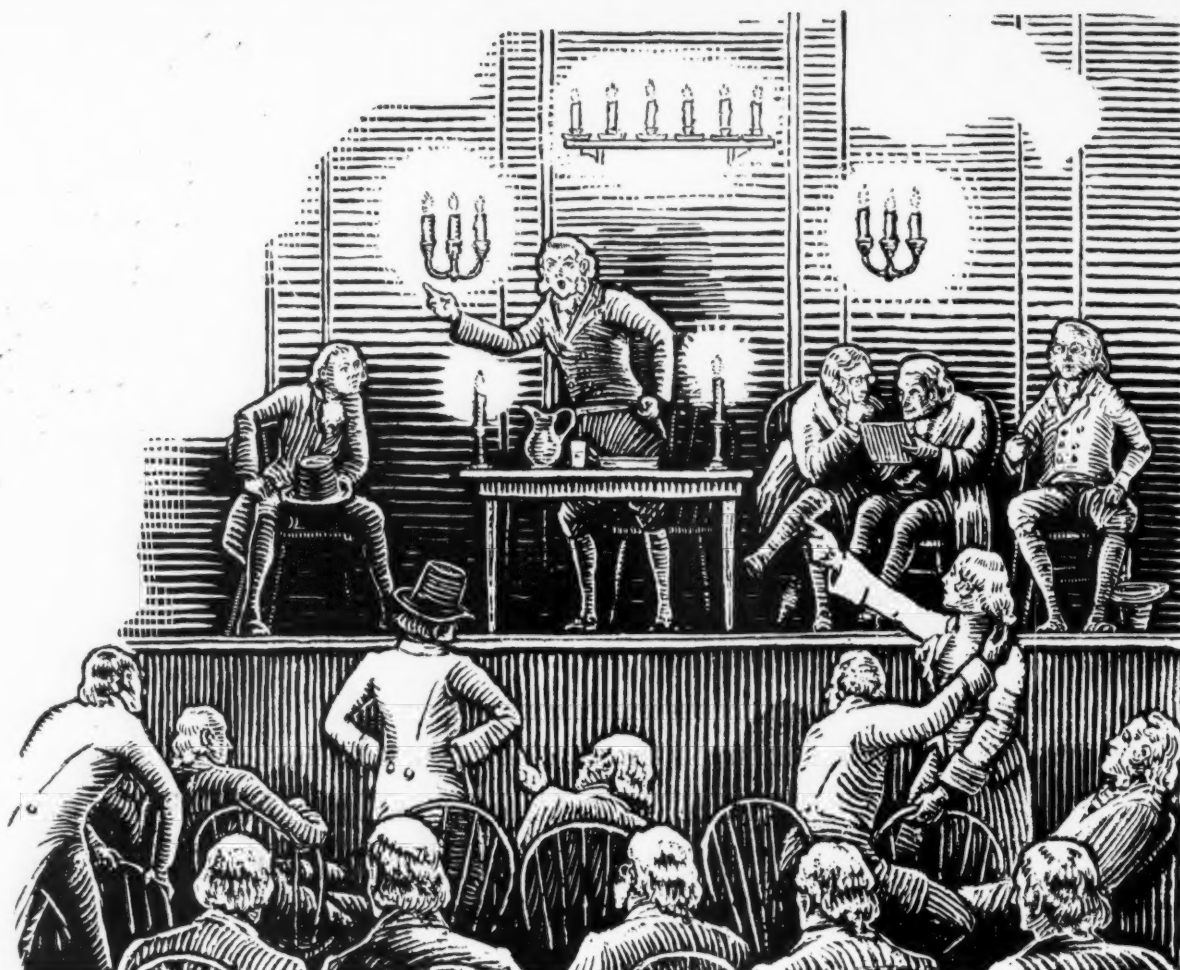
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The National Underwriter

Thirty-Fifth Year No. 50

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, DECEMBER 10, 1931

\$4.00 Per Year, 20 Cents a Copy

Commissioners in Valuation Debate

Col. Dunham of Connecticut Stands by Guns, Holding for Dec. 31 Appraisal

KEEN INTEREST EVINCED

Convention Adopts Average Basis at New York Meeting, Setting Up June 30 Formula

NEW YORK, Dec. 9.—The National Convention of Insurance Commissioners voted this week at its meeting here to follow the so-called average method of valuation for securities in the Dec. 31 financial statements, rather than to employ the market quotations as of that date. Hence for the most part June 30 figures will be used.

The book of valuation of securities gotten out annually by the convention will carry the June 30 figures. There were three opposing votes, Dunham of Connecticut, Mortensen of Wisconsin and Davis of the District of Columbia.

Discretion Is Permissible

Commissioners will use their discretion in handling the situation and may have to be still more lenient. If a company seems in a hopeless condition and is not able to stem the tide, then it will have to run to cover. The general opinion was that this is not the time to embarrass companies unnecessarily, as they have many problems to solve.

If the opposing departments demand Dec. 31 figures there will be much confusion and ugly competition. Van Schaick of New York, chairman of the valuation committee, stated that he hoped for uniformity of action. He will require all companies to use the official valuation figures for use in his department. The market value on a particular day, he insists, is not a fair criterion.

Resolution Is Adopted

Resolution: "Whereas, Exceptional fluctuations of value of stocks and bonds as reflected on the exchanges have led to the inquiry as to whether the market price quotations for stocks and bonds on any particular day are indicative of the fair market value of such securities; and

"Whereas, Under similar circumstances it has been the policy of the National Convention of Insurance Commissioners to indorse and recommend the substitution of the range of the market and the average of prices thus found running through a reasonable period of time as a fair basis of market value of stocks and bonds;

Average Value Formula

"Resolved, That the committee on valuation of securities of the National Convention of Insurance Commissioners is of the opinion that under present

(CONTINUED ON PAGE 12)

Problems Are Paramount

Company Executives Are Almost Bewildered With the Complications Arising Out of the Economic Cyclone That Has Involved All Insurance

By C. M. CARTWRIGHT

NEW YORK, Dec. 9.—When one comes from the great open spaces to the eastern seaboard and talks with officials at head offices, he realizes the devastating effect of the financial cyclone. Out where the west begins, there are innumerable personal losses and evidences of financial disaster, bank and business failures on every side. However, its intensity with relation to insurance is not so apparent until one comes in contact with those who have to do primarily with investments and who watch from day to day the effect of the fluctuating stock market quotations on their securities. Perhaps this disaster cannot be portrayed in a more graphic way than by calling it a cyclone. Its consequences are seen on every hand.

Effect of a Tornado

After one has visited the scene of a tornado, he is impressed at the different and even unique kind of damage done. It ranges all the way from a few shingles ripped off the roof, some window panes broken in, a cornice nicked, a chimney fallen—clear through various stages of utter demolition. This, in effect, is the way the field looks as one tours through the insurance district and hears the fateful stories. It is in this section that one appreciates for the first time what it all means.

Take, for example, the president of one of the medium sized companies. He remarked that he was forced to sit by helplessly last fall and see the assets of his institution shrink \$3,000,000 in 90 days. Extra money brought in to assist a subsidiary company has shrunk almost 50 percent, although securities purchased at the time were regarded as high grade. Even companies that have been most conservative in their investments and have purchased little but high grade bonds, find the decline in price levels has jolted them.

Effect Is Bewildering

There is little else in insurance conversation these days than the investment situation and its far-reaching effects. Officials are so burdened with responsibilities and are so helpless that at times they do not know which way to turn. If they could be assured that the worst is over, that would give them courage. They are faced, however, with a great, uncertain future. They do not know what is going to happen next week or next month. They have no idea as to how much further down the market will go. There will be some shattered annual statements even if values are fixed as of June 30. They will be more greatly shattered if the values of Dec. 31 are taken.

Banking System Has Failed

Financial men connected with insurance realize that the banking structure in this country has not stood up. The failed banks all over the United States are silent but tragic evidences of a weak-

ness and a vital one in a nation's banking system. Bankers today are sitting over a volcano because they do not know what will happen to their institutions. Perhaps the bankers of the United States were nationally minded but not internationally. They may have been astute so far as the financial needs of their own country were concerned, but they certainly made huge mistakes when venturing into foreign lands, as witnesseth the millions and millions of dollars of foreign securities that were marketed in this country and the enormous loans that were made in nations beyond the seas. How much of this vast sum will be repaid is most uncertain. Certain it is, however, that millions and millions were taken out of this country to sink in the quicksands of foreign lands. To that extent, money that might have been used here has been lost, and the financial structure can not be righted until some sort of an adjustment is made.

Much Adjustment Seen

There have been a number of insurance mergers and considerable revamping of finances, but there have been no out and out failures that have involved policyholders. This speaks well for the insurance system. Despite the intensity of the economic tornado, it can be said that insurance has weathered it well. Undoubtedly there will have to be some further readjustments because some can not stem the tide. So far there have been no assessments made by a stock company on its stockholders for extra funds. Officials would hesitate to do this. They arrive at the same end in a more refined manner. They reduce the capital and then sell a new issue. Next year will continue as one of financial settling down and readjustment. There will be no upturn of material consequence. Therefore, companies as well as individuals must adapt themselves to new conditions.

Loss Ratio Is Normal

In the midst of this turmoil and bewilderment, officials undoubtedly have studied every phase of the operations of their companies more astutely and with greater penetration than ever before. Fortunately for fire insurance, the loss ratio for 1931 so far has been normal. That is the real saving grace of a hectic period. If the companies had received the premium income of past years, so far as underwriting is concerned, this would be counted as an excellent year. The premiums naturally are off all the way from 10 to 30 percent. Interest earnings will be less this year because of decreased dividends or even default in the payment of dividends. Undoubtedly many companies will have to reduce their own dividends. They cannot continue paying according to the same ratio as they did in prosperous times.

Some items are receiving the greatest scrutiny. The searchlight has been

Every Cog in the Machinery Eyed

Executives Are Reviewing Critically Each Phase of Operation

SAILS BEING TRIMMED

Personnel Changes Evidence of New Watchfulness—More to Come—Survival of Fittest

NEW YORK, Dec. 9.—Numerous changes in the home office staffs and in field forces have been effected in recent months and still others will unquestionably be announced before the close of the year, which is evidence of the care with which executives are studying the machinery of their companies during these days.

Every activity, production, underwriting, recording and claim handling will continue to be critically reviewed with a view to detecting shortcomings and to devise methods for more effective and economical service.

It no longer suffices that a policy be perpetuated because it has been pursued for years. There are certain fundamentals, the worth of which has been demonstrated by long experience and these will continue to be religiously observed, but certain practices both in office and field developed during the post war period of unexampled prosperity now require drastic revision to meet present day conditions. It is to these that executives and special agents are directing close attention.

Good Time for Reform

It seems that substantial reforms in the business can best be effected in periods of depression. This is indicated by the efforts for betterment now being put forth, not alone as to individual companies but by virtually all governing associations.

In times such as the present, with premiums off the country over anywhere from 10 to 12 percent, with losses far greater than they should be, and with expense ratios substantially higher than ever before, to say nothing of the steady downward trend of the securities markets, the folly of rate-cutting, improper forms, payment of excess commissions or the indulgence in any other unethical practice is becoming more and more apparent.

Men in office or field who cannot conform to the rigid standards of efficiency and energy now called for must give way to others, for in the fire insurance ranks as in every other division of business, it is a survival of the fittest.

turned on every department. At times it is almost pathetic to see the efforts of companies to cut down their overhead. There are small expenditures

(CONTINUED ON PAGE 32)

Marine Association Asked to Help Curb "Free" Cover

FURRIERS' POLICIES ILLEGAL

Cleveland Board Sends Letter Condemning Practice—Agents Could Handle Coverage If Necessary

CLEVELAND, O., Dec. 9.—The Cleveland Board has sent a letter to the Inland Marine Underwriters Association asking its aid in cleaning up the furriers' customers insurance situation in Ohio. Furriers, dry cleaners, opticians and others have been carrying on active campaigns, advertising that they are giving away insurance. Some of these insurance policies are countersigned contrary to the Ohio insurance law. The Ohio insurance department, the letter indicated, has not been successful in curbing the practice although it has branded it as illegal.

"This communication," the letter reads, "is prompted by recent insurance press reports to the effect that your organization will shortly put into effect a plan purporting to cure some of the evils which have developed from the methods employed to promote this contract. As far as we are able to learn this plan still contemplates the consummation of insurance contracts by unlicensed individuals, and we therefore desire to call to your attention as forcefully as may be, the licensing laws of this state and the ruling of the insurance department previously referred to."

Agents Oppose Operations

"If the consummation of this class of contract under the new arrangement is to be carried on through unlicensed individuals who are not legally engaged in the insurance business, we think it is proper to say that the organized agents of this state expect to oppose operations of this character with every available resource at their command. It is our opinion that adequate facilities are available or can be made available through properly authorized agents for the sale of such coverage directly to the buying public and that any plan which calls for dealings with or through unlicensed individuals will result in the demoralization of the insurance business generally."

"It is a rather curious situation that insurance companies which receive the huge bulk of their business from their agency forces should (through one department) be fostering plans and methods so directly opposed to the interests of these same agents. There seems to be no valid need for this form of cover and insurance agents feel that it should be discontinued forthwith."

"The mere countersigning of contracts of insurance by Ohio resident agents cannot legalize the final consummation of these contracts because neither the resident agent nor the company has the right to set aside the provisions of the Ohio laws previously referred to."

Overlapping Hearing Friday

The hearing before the New York department on overlapping of the powers of fire, marine and casualty companies which had been scheduled for Monday, has been postponed until next Friday, Dec. 11, because of the conflict with the original date with the opening session of the meeting of the National Convention of Insurance Commissioners.

Dunham Statement Corrected

The statement published last week that the Connecticut department has instructed all companies licensed in that state to file a schedule of assets with values fixed as of Sept. 30 or Oct. 31 is "grossly in error," according to Commissioner Dunham. The statement was not authorized by his office, he states.

Tulsa's Per Capita Fire Loss Below One Dollar So Far

TULSA, OKLA., Dec. 9.—Tulsa is well on its way to another less-than-a-dollar per-capita fire loss this year. And when it arrives it will be the fourth such year in the last six.

The 1931 losses for the first 11 months are \$116,742 compared with \$170,150 for the first 11 months of 1930. And the first week of December has passed with so little loss that the city can burn \$1,000 a day for the remainder of the month and still have less than a dollar per-capita loss.

Tulsa has other favorable factors for a low fire loss. As a new city, being virtually constructed entirely in the last 25 years, its downtown section and biggest buildings are of "fire-proof" construction.

The department here has a double-barreled program of fire prevention, one-half of which is a vigilant arson squad. For the first time this past year, the department has been successful in securing a number of arson convictions.

Strong Educational Program

The education program includes the standard practices of fire prevention week, the circulars in the homes and the inspections of downtown buildings and larger properties. The inspections are carried on by uniformed officers of the department on a plan worked out from the alarm response plan. Every building is inspected by an officer who will be among the first on the scene in the event of a fire.

A new feature was instituted this year in the staging of a school for custodians and night watchmen. Instructions were given in handling and preparing fire extinguishers, and what to do in case of a fire. The idea for the school was originated within the department here, and will undoubtedly be expanded into an annual event. A special session was held for the convenience of school custodians.

Camden Circulars Effective

The Camden Fire has gotten out a series of exceptionally attractive selling circulars for the use of its agents. Each pamphlet has an appropriate but unusual illustration and each message is condensed and to the point. Among the subjects covered in the various pamphlets are fine arts, parcel post, wedding present floater, musical instrument floater, all-risk silverware, personal jewelry, fur floater, standard automobile policy, rent and rental value, business interruption, motor trucks' contents, personal effects floater, supplemental contract, and windstorm.

Insurance Buyers in Round Table Session at Boston

MANY QUESTIONS CONSIDERED

Insurance Division of the American Management Association Holds Interesting Discussion Period

Members of the insurance division of the American Management Association held an interesting round table conference in Boston. The sessions were private inasmuch as the members wanted to be free to exchange intimate information and make criticism. The division is composed of insurance managers for many of the large corporations in the country. Its last annual gathering in Chicago caused much interest among insurance people. The subjects discussed at Boston were:

What is the best organization set-up for handling insurance?

Which type of service will give the best results, insurance advisers, agents, direct dealing with insurers, or to develop an insurance manager within the organization who is well versed in insurance matters?

How can we avoid effects of delayed notices, inadequate records, or errors in judgments, as to the need of insurance?

What are the essential qualifications for a good insurance adviser?

Concentration Considered

Is it better to distribute insurance among several insuring organizations or to concentrate?

If a buyer pays the premium required to cover a certain type of risk, why should he not collect for all loss under that risk?

Why is protection reduced when the insurance forms are not concurrent, the insured having taken out insurance equal to the value of the property?

Why are the rights of the insured so limited when the insurance policy is supposed to be mutual?

Why is the insurer restricted as to the location and use of his own property?

Is the buyer of insurance compelled to divulge all facts as to previous experience, to make policy valid?

Is there danger of the insured inadvertently violating terms of policy, and how can he avoid such risk?

Does the property "of others" affect contribution of the insured toward any loss?

Should the settlement basis be predetermined?

What is the position and right of a claimant in settlement?

Is it necessary to have a perpetual appraisal or one of recent date to insure the collection of a loss?

Why are there so many disputes in settling loss claims?

Barry Banquet Is Most Brilliant Affair in Years

The testimonial dinner at the Waldorf-Astoria in New York City Wednesday night to honor James Victor Barry was the most representative gathering of insurance men assembled in many years. Company officials from this country and Canada, state insurance commissioners, organization men, attorneys, agents, newspaper men—in fact as brilliant a galaxy of men allied with the business as ever assembled paid honor to a man who is an insurance institution himself, one who has contributed in many ways to the great activity he has served so well.

Mr. Barry is a lovable character, one personally popular and enshrined in the hearts of all who know him. The officials, attorneys, agency men, department heads, local managers of the Metropolitan Life, of which he is third vice-president, filled some six tables. There were three tables of New York City Life general agents. Some companies reserved one or more tables for their officials.

Turnout of 650

In all, over 650 met on this gala occasion. Business lines were cast aside. Men representing stock companies, mutuals, fraternal and reciprocals were present. Henry F. Tyrrell of Milwaukee, legislative counsel Northwestern Mutual Life, presented the toastmaster, Alfred Hurrell, vice-president and general counsel Prudential.

The speakers were President F. H. Ecker of the Metropolitan Life; Commissioner C. D. Livingston of Michigan; United States Manager C. F. Shallcross, North British Mercantile; United States Manager Frederick Richardson, General Accident; President E. M. Allen, National Surety, and Col. Joseph Button of Richmond, Va., former insurance commissioner, the last speaker, who presented Mr. Barry with a beautifully bound book, handsomely inscribed with touching sentiment and containing the names of all present.

As Mr. Barry arose to respond the banqueters gave him a mighty ovation. At the speakers' table in addition to the speakers were J. G. Read, Oklahoma insurance commissioner and secretary of the National Convention of Insurance Commissioners; B. A. Dugal of Quebec, president Canadian Association of Insurance Superintendents; C. C. Klocksin, assistant legislative counsel Northwestern Mutual Life and chairman of the invitations committee of the Barry banquet; State Senator Leon F. Wheatley of New York, chairman insurance committee; Jesse S. Phillips, president Great American Indemnity, chairman arrangements committee, and Vice-President L. A. Lincoln, Metropolitan Life. Mr. Tyrrell was chairman of the general committee that promoted this great event. He and his associates did a magnificent piece of work.

Industrial, O., Is Reinsured In the Globe & Rutgers

Outstanding insurance of the Industrial Fire of Akron, O., is being reinsured as of Dec. 1 in the Globe & Rutgers. Although ceasing active operation, the Industrial, which is affiliated with the J. S. Frelinghuysen group, will retain its corporate charter.

Total assets of the Industrial as of Dec. 31, 1930, were \$1,658,767; premium reserve \$281,088; capital \$500,000; surplus \$136,055.

The Industrial began business in 1911. Until 1912, it operated an industrial department for writing fire insurance in small amounts on the weekly and monthly plan. In 1915, the Industrial absorbed the Wilmington Fire of Delaware. In 1930 its net writings were \$748,677; losses paid \$1,011,022.

CONDENSED NEWS OF WEEK

Many serious problems are confronting insurance companies today. **Page 3**

Way paved for complete accord on Interstate Underwriters Board situation at conference of company officials and agents. **Page 5**

Cleveland Board asks Inland Marine Association to aid in cleaning up furriers' costumers insurance evil. **Page 4**

Connecticut Association of Insurance Agents holds annual meeting; W. C. North reelected president. **Page 5**

Divorcing of general and local agencies in W. U. A. territory rapidly being completed. **Page 6**

Interesting insurance round table session held at meeting of American Management Association in Boston. **Page 4**

Insurance Federation of America to curtail activities. All officers reelected. **Page 20**

Men in field believe rate increases on many casualty covers unavoidable as result of heavy 1931 losses. **Page 20**

Valuation question big issue before National Convention of Insurance Commissioners. **Page 3**

H. W. Boyd resigns as Royal's Chicago manager, succeeded by G. C. Peterson. **Page 6**

Emergency rate increases reviewed. Abolition of schedule rating suggested by W. F. Roeber, in annual report to National Council on Compensation Insurance of which he is manager. **Page 31**

Massachusetts automobile claim fraud charges to be investigated. **Page 31**

Executive committee of Health & Accident Underwriters Conference takes up important matters at its meeting in Chicago. **Page 30**

Superintendent Van Schaick of New York asks filing of rules of fidelity and surety acquisition cost conference. **Page 30**

A. H. Grupe and interests forming Lloyds Underwriters in Chicago. **Page 30**

North Reelected in Connecticut

Automatic Cancellation for Non-Payment Big Topic of Discussion

MEETING AT BRIDGEPORT

Mrs. Rice Retires as Secretary After Nine Years—Interesting Program of Speeches

BRIDGEPORT, CONN., Dec. 9.—The financial situation of the insurance companies, automatic cancellation of insurance policies for non-payment of premium, education for motor vehicle drivers, new methods of selling fire insurance, significance of the organization of casualty companies, and even first hand personal impressions of Mussolini with tales of an airplane trip to a convention of the National Association of Insurance Agents were some of the topics to engage the interest at the annual meeting of the Connecticut Association of Insurance Agents.

Notwithstanding Connecticut agents came out in large numbers for the very recent Connecticut Insurance Day program at Hartford there were over 125 on hand for this session.

President Walter C. North of Bridgeport presented a program adequate for a National convention, and his annual report contained such outstanding recommendations that it resulted in a vote of the association to have the executive committee print the report for circulation among all the members.

New Officers Elected

Following are the new officers: President, Walter C. North, Bridgeport; vice-president, Felcher Alvard, Winsted; secretary-treasurer, Arthur Bradshaw, Bridgeport; honorary vice-presidents, Louis H. Arnold, Willimantic, and Frank W. Brodie, Waterbury; national councillor, James L. Case, Norwich; regional vice-presidents: Fairfield county, Arthur M. McCoy, Stamford; Hartford county, Fred H. Williams Jr., Hartford; Litchfield county, Ennis B. Mallette, Torrington; New Haven county, Thomas A. Sturgis, New Haven; Mid-

Antagonism Between Adjuster and Agent Should Be Smoothed Out

LOUISVILLE, Dec. 9.—W. T. Sweeney of Sweeney & Co., Louisville local agents, a former field man and at one time an adjuster, has some interesting comments on the plans for loss groups among field men, outlined in a recent issue of THE NATIONAL UNDERWRITER. Mr. Sweeney says:

"It is noted in the article 'that local agents, who are on the firing line and unquestionably owe a responsibility to their policyholders, should occupy an important position in the entire development of the Fire Companies Adjustment Bureau' and are to be consulted in this matter of developing adjusters.

Agents Overlooked

"Many losses are adjusted without the agents participating in any way. This frequently produces mistakes and then the agents are called on to overcome the mistakes. Here are a few cases which should illustrate this point:

"(a) An adjuster held up a loss for four months because an agent had advised with the assured about the loss. The adjuster displayed so much antagonism against the agent that he failed to read the estimate of the loss prepared by the assured. He placed it in a pigeonhole and held it four months until the agent persuaded him to read the document. While the adjuster was convinced of his error he still resented the agent's part in the matter.

Adjuster Is Ugly

"(b) Another adjuster told a policyholder who had suffered a loss from an exposing fire to 'read your policy and act accordingly.' The assured felt so mistreated that he called in the agent. The adjuster was very ugly to the agent and told him to go to h—. This case was finally handled by the home office of the company.

"(c) Another adjuster—a rather bigoted fellow—paid a policyholder \$1,000 on a loss which the assured said

would have been fully paid at \$600. The assured was 'wise' to the bigotedness of the adjuster and the carrier thereby paid \$400 too much.

"(d) Another adjuster told a policyholder that he would probably collect \$225 or \$250 for his loss. Later he offered the assured's attorney \$375 and he finally paid \$400. This is a clear case of 'trading' instead of adjusting on the merits of the case.

"After 28 years' fire insurance experience as local agent, state agent, adjuster and back to the local field, I am persuaded to believe that an adjuster, if he be competent, can well afford to treat the claimant as though he were honest and his loss straight (until he is positive that it is contrary) and that the adjuster can take the attitude of helping the assured build up his claim rather than proceed as is so often done.

"It is as easy to ascertain the actual loss when helping the policyholder build up his figures as it is to question every item as though the assured was trying to rob the company.

Company Attitude

"Insurance companies want their losses paid in full, so the helping attitude of the adjuster creates the proper and desired result and it makes of the claimant a friend and booster.

"I am therefore glad to see this part of the business up for study and I am sure that good can be done by properly developing adjusters.

"There is another feature in connection with this matter which appears incorrect and that is the attitude some adjusters take that the agent should 'write the business' and then let the adjusters 'settle the losses.' There is a closer relationship in fire insurance than this idea expresses.

"Any criticism that may be contained in this letter is constructive in purpose from the inside, rather than destructive in intent and from the outside."

dlesex county, Robert B. Brainard, Middletown; New London county, Henry L. Bailey Jr., New London; Tolland county, Enos Penny, Stafford Springs; Windham county, Stanley J. Sumner, Willimantic.

On motion of S. J. Lonsdale the officers were given a vote of appreciation and Mr. Case paid high tribute to Mrs. Charlotte W. Rice, who after nine years,

has decided to retire as secretary. She was presented with a gift by Mr. North.

President North called attention to the fact that the Connecticut association had reached its five year membership quota in four years, practically, as it started off with 433 members, while its quota was 435 for the end of the five year period. Members were urged to

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Way Is Paved for Accord at Confab

Agents and Officials Iron Out I. U. B. Irritations at New York

BOTH GROUPS PLEASED

Manchester's Suggestions to Remove Friction Reviewed from All Angles —Discussion Is Frank

NEW YORK, Dec. 9.—As the result of a five hour joint conference of the Interstate Underwriters Board's representatives and a special committee of the National Association of Insurance Agents here last week, many misunderstandings were ironed out and the way paved for complete accord in the future. Both managers and agents were pleased with the results.

Discussion at the conference was frank and free, company chiefs and local men recognizing their mutuality of interest and being sincerely anxious to arrive at a common understanding that would make for the more satisfactory handling of the business in the future. When the I. U. B. was launched in January, 1929, its plan admittedly was not perfect and some of the criticism directed against it was justified. Improved methods of operation were adopted from time to time as the member companies were sincere in their desire to conduct the organization along lines that would be of service to assureds and agents as well as to themselves. This broad policy will be continued, the management inviting local men to offer constructive suggestions as prompted by changing field conditions.

Name Small Working Group

At the opening meeting the agents' committee met with the entire governing body of the I. U. B. but it was obvious that little could be accomplished at so large a gathering so the bureau named a small working committee to go into the general situation with the local men. As its representatives the I. U. B. appointed H. V. Smith, vice-president

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COMMISSIONERS' OFFICIALS AT NEW YORK MEETING



C. D. LIVINGSTON, Michigan President



W. A. TARVER, Texas First Vice-President



D. C. BONEY, North Carolina Chairman Executive Committee



JESS G. READ, Oklahoma Secretary

Dunham Amplifies Reasons Requiring Dec. 31 Values

CITES THE CONNECTICUT LAW

Better for Stockholders as Well as Policyholders to Have "True Report,"
He Says

In a communication to the National Convention of Insurance Commissioners, Col. H. P. Dunham, Connecticut commissioner, has amplified the reasons for his refusal to accept June 30 market prices as the value of stocks in annual statements. Although values must be entered as of Dec. 31 in Connecticut, Col. Dunham advises that he is prepared to accept reasonable valuation of bonds and other securities having a fixed term and rate and not in default as to principal or interest and if amply secured on an amortized basis according to the Connecticut law.

The communication was in the nature of a minority report as a member of the committee on valuation of securities. Col. Dunham points out that he has no discretion to modify the specific requirements of the Connecticut law. He cites the provision of the Connecticut law that a "true report" of the financial condition of companies shall be submitted Dec. 31.

Col. Dunham states that there can be no true report on Dec. 31 unless the valuations at that time are correctly stated.

New York Exchange

The market value of securities on the New York stock exchange can generally be taken, he said, to be the price at which such securities are freely bought and sold at that date. However, he said, assets which have no quick market and evidences of debt may legally need to have the values at a given time otherwise ascertained.

Any attempt, he said, before Dec. 31 to dictate stock values for the purpose of a true report is futile and illegal.

The reports required of companies are not supposed to be based on average prices but on values at the end of the year.

Col. Dunham adds that the Connecticut law provides for imprisonment up to five years for making a false report to the commissioner with intent to deceive him, the stockholder or policyholder. If he should agree to the use of any values except those of Dec. 31, he said that he might be held to be permitting the filing of a report with intent to deceive.

No Move Against Small Companies

The Connecticut commissioner denies that "a campaign against the majority report on valuations is being carried on in an effort to put some of the smaller companies 'on the spot.'" It is better for the stockholders as well as the policyholders that the actual condition shall be made clear and an opportunity given to strengthen the companies' financial condition, than to encourage malingerers of a company in disregard of actualities. He points out that in prosperous times many companies with unnecessarily large surpluses declared stock dividends. It is not illogical then, he said, for companies with surpluses too low to reduce capital.

New Form for Physicians

ST. PAUL, Dec. 9.—St. Paul Fire & Marine's new form on physicians, surgeons' and dentists' instruments and apparatus offers coverage against all risks except wear, tear and depreciation, breakage of glass, infidelity, war, invasion, etc. The rate is 2 percent for blanket coverage subject to the 100 percent coinsurance clause, or 1½ percent if a schedule of the various articles is used. The minimum premium is \$10 for each risk.

Advises Against Neglecting Good Paying Customers

Ray C. Dreher, in the sprightly Christmas issue of his magazine, "The Accelerator," which he gets out for the Boston and Old Colony, suggests that agents give some attention to the good pay as well as the poor pay clients. He advises use of a letter of thanks to those who pay premiums promptly. The practice creates good will. "Policyholders," Mr. Dreher points out, "whose business shows a fair profit, should at least be given as much consideration as those whose business often shows but an imaginary profit."

Letter Is Suggested

"Your check for \$— in payment of policy No. 0000 in the — Insurance Company arrived this morning," Mr. Dreher suggested as a form for such a letter. "Thank you. All policyholders who pay us promptly help us pay our companies promptly. The financial stability of every insurance company is dependent upon prompt collection of premiums—and no one wants insurance in a company which is not financially stable. Also, prompt collections are just as necessary to the growth of a local agency as they are to a company. Therefore, you can see, Mr. Doe that we appreciate your prompt payment."

Mr. Dreher warns against sending the identical letter more than once to a single client.

Illinois Companies Meet On the Qualification Law

A number of small and medium sized Illinois fire and casualty companies have been getting together informally to discuss the probable effect on them of the recently enacted Illinois agents qualification law. They have not taken a position against the law and some of the companies are for it. They have merely been exchanging views as to how their particular agency plants would be affected. Some of these companies have many part time agents, such as garage mechanics, etc. and they are naturally concerned.

Extend Detroit Exchange Field

The Western Michigan Motor Club of Grand Rapids has affiliated with the Automobile Club of Michigan, for which the Detroit Automobile Inter-Insurance Exchange writes automobile coverage. The new club covers 20 counties in western Michigan, increasing the territory of the Automobile Club of Michigan to 65 counties out of the 68 in the state.

Contest Reports Are In

NEW YORK, Dec. 9.—Reports covering activities of close to 300 cities and towns throughout the country during fire prevention week have been received by T. A. Fleming, supervisor of conservation National Board.

Passé Club of Former Commissioners Meets

NEW YORK, Dec. 9.—The former commissioners met in their new organization the Passé Club, during the meeting of the National Convention of Insurance Commissioners here, with J. V. Barry as president. C. W. Hobbs presented proposed by-laws which were adopted, calling for ten vice-presidents, bouncers, auditor and counsel.

Boyd to Retire as Branch Head in Chicago for Royal

SUCCESSOR IS G. C. PETERSON

Retiring Officer Has Spent 27 Years in
Service of the English
Company Group

Announcement is made by the Royal of the retirement, effective Dec. 31, of H. W. Boyd as manager of the Chicago branch office and of the appointment of George C. Peterson as his successor.

Mr. Boyd joined the Royal in 1904 as state agent for Indiana and moved forward progressively to more responsible duties. In 1914 he was appointed executive state agent for Indiana and seven years later received the appointment of agency superintendent of the Royal's western department at Chicago. In 1923 he was appointed second assistant manager at that office, assistant manager in 1929, and manager of the local office in 1930. In recognition of his service the Royal has made generous provision for his future.

Mr. Boyd always took an interest in loss adjustments and built up a reputation in this important field. He is a native of Indiana and served two Indiana insurance companies in the field before becoming associated with the Royal.

Mr. Peterson began insurance work in the office of the western department of the Northern of England at Chicago about 25 years ago. He remained there for eight years and then joined the National Inspection Bureau, traveling out of its Chicago office as an inspector for three years. Then he became superintendent of the special hazard department of the Hartford in the west. That position he held for nine years when, about five years ago, he joined the Royal's western department in a similar capacity. He became assistant manager of the Chicago branch last year.

Goss Asks Conservation as Part of President's Plan

While attending the President's home building and ownership conference in Washington, I. D. Goss, head of the farm department of the America Fore companies, and president of the Farm Association, recommended that attention be given to the conservation of present farm housing facilities as well as for the financing of new construction. Mr. Goss was advised by Dr. B. L. Melvin, research secretary of the group on farm and village housing, that conservation of farm housing is of vital importance and Dr. Melvin guaranteed that in the continuation of the President's program that feature would be given consideration.

"Any program," Mr. Goss declared at the conference, "dealing with farm housing which does not take account of and give consideration to the conservation of present housing facilities must be regarded as inadequate."

Mr. Goss pointed out to the group on farm and village housing that destruction by fire on farm dwellings and contents in the 15 central western states for the five-year period ending in 1930 was \$55,000,000. While statistics are not available on new dwelling house construction, Mr. Goss expressed the belief that new construction did not keep pace with the rate of destruction by fire with the result that there was a reduction of housing facilities.

Patton Assumes Duties

E. D. Patton, former Kansas state agent for the Northern of London, and now assistant secretary in charge of western business, assumed his new duties in New York Friday. His successor in the field will likely be announced shortly.

General Agency Problem in West Being Solved Rapidly

COMPANIES UNITED IN MOVE

Divorce of General From Local Agency
Operations Being Accomplished Ex-
pediently—Much Work Done

The movement to eradicate mixed general and local agencies in Western Underwriters Association territory by Dec. 31 is progressing about as expeditiously as any project in the west for some time. The companies are united in their determination to bring about divorce of local and general agency operations. It is a reform which has been desired for some time, but a united front has not heretofore been presented.

In past efforts to make general agents, who also conduct a local business, fish or cut bait, the companies have been handicapped by the fact that when the agitation started agents could go from one camp to another, that is from Western Union to Western Insurance Bureau. Now the ranks of the Bureau are thinned and the general agents are not able to escape the issue.

Trimming the Sails

The companies feel that in bringing about separation of local and general agency functions they are trimming their sails in the present storm. Some bad general agency practices developed during the days of inflation. The accumulation of companies into fleets was partly responsible. Most groups found that they could wield more or less major influence with about three companies, but that the pups were pretty largely orphaned. Accordingly the system developed of turning some of these pups over to general agents knowing that whatever revenue could thus be produced would be velvet. This did not comport with the idea of responsibility of the general agent. The pups were often placed with local agents, who became transformed over night into general agents. The true general agency system was impaired.

Many of Mushroom Growth

The companies do not feel that they are calling upon many of the general agencies to make a sacrifice in either occupying themselves entirely with general agency functions or local agency operations. There are a few old time offices in the west, which pursue the dual system and it will undoubtedly be a hardship for them to conform to the new order. But many of the general agencies, which will be affected, are of a mushroom growth.

All General Agencies Visited

An inspector for the general agency committee of the Western Underwriters Association has been visiting all the general agencies in the west. He checks their operations and reports to the committee. Meetings of company representatives are held and the disposition of each office is debated. A vast amount of work has already been accomplished and much remains to be done, but the end is in sight and the company men feel that they will soon have accomplished an important task.

New Regulations on Farm Risks

TORONTO, Dec. 9.—Farm mutuals operating in Ontario have adopted changes in regulations which have been approved by the insurance department, effective Jan. 1. Fire losses on farm risks have been high. Insurance on livestock, implements and contents of dwellings is to be restricted to two-thirds of the value. Cattle pasturing more than five miles from home are to be excluded except under special circumstances. Only one binder and one mower can be included. Clothing in dwellings can be insured up to only 10 percent of its total value.

CHANGES IN THE FIELD

Liverpool Veteran to Retire

A. M. Upham Leaves Post as Iowa State Agent Dec. 31 and Is Succeeded by W. R. King

Announcement is made of the retirement Dec. 31 of A. M. Upham as Iowa state agent for the Liverpool group and the appointment of W. R. King as his successor. Mr. Upham's association with the Liverpool & London & Globe dates back to February, 1904, and the companies' provision for the leisure years which he has so richly earned expresses their appreciation for the efficient manner in which he has supervised their interests in that important territory.

Mr. Upham went to Des Moines 25 years ago this month to succeed W. S. Loudon, now deceased. Prior to that he was special agent for the L. & L. & G. in Illinois and had been a local agent at Jacksonville, Ill., for 19 years. He will devote his entire time to loss work for the company in Iowa and will also take an active interest in the Upham Brothers agency, Des Moines.

Mr. King has been with the Liverpool & London & Globe since 1923. Following several years as special agent in Nebraska, he was transferred to Illinois, in which state he made a most creditable record. He is a graduate of the University of Nebraska.

W. W. Ferguson, for the past three years assistant to Mr. Upham, will remain in a similar capacity with Mr. King. Headquarters will be maintained as formerly at 944 Insurance Exchange building, Des Moines.

Goodman with National Union

Former Corroon & Reynolds Man to Head Detroit Branch in New Connection

W. E. Goodman, who until recently has been Michigan state agent for the Corroon & Reynolds group, has joined the National Union as manager of the Detroit branch office with headquarters in the United Artists building.

Mr. Goodman traveled Michigan for the Corroon & Reynolds companies for five years. Before that he was connected for seven years with the Michigan insurance department and his experience has also included a term with the Michigan Inspection Bureau.

E. W. Kobman

Ernest W. Kobman of Columbus, O., will become Iowa-Nebraska state agent for the Phoenix Assurance Jan. 1, with headquarters in Des Moines. He succeeds George Richardson of Omaha, who has been Iowa-Nebraska state agent. Mr. Kobman has been special agent for the Phoenix in Ohio for several years.

Morris Crain

Morris Crain has been appointed farm special agent of the American of Newark for Indiana. Mr. Crain has been manager of the insurance department of the Rushville National Corporation, Rushville, Ind., and has had excellent training for his new connection.

AS SEEN FROM CHICAGO

OPENS CHICAGO OFFICE

A Chicago office has been opened by the National Guarantee & Finance Company of Columbus, O., of which John E. Davis is president. Quarters have been secured at A-1622 Insurance Exchange, telephone Harrison 0669. The National Guarantee & Finance Company has assets exceeding \$1,500,000 and has had many years of experience in the finance business. It has a premium budgeting plan for insurance that has attracted wide attention. The Chicago office has been established so as to give a convenient "on the spot" service to Chicago agents and brokers.

INSURANCE PATROL PARTY

The annual Christmas party of the Insurance Patrol of Chicago will be held Dec. 22 in the Masonic Temple on the west side. All the members of the patrol committee, including Ernest Palmer, manager Chicago Board, will attend. The party is given for patrolmen and their children.

AUTO ADJUSTMENT QUIZ

The methods pursued by some automobile adjusters in Chicago are being investigated by an informal group of company representatives. The automobile theft situation has become intolerable in Chicago and the companies are scrutinizing every angle of the business in an effort to bring about reform. Many adjustments have been loose and irregularities are sometimes suspected.

BOARD REPORTS PREMIUMS

Cook county fire, tornado and sprinkler leakage premiums decreased \$2,644,492 in the first six months this year compared with the same period in 1930, the Chicago Board reports. This was 19.5 percent lower than the 1930 total. Premiums for the last half of 1930 were \$11,320,829, according to the

board's report. If the same ratio of decline continues in the last half of this year, the total 1931 premiums it is estimated will be little over \$20,000,000. Figures of the leaders on a 1931-1930 basis for the first six months, as shown by the Chicago Board, were:

	1931	1930
Aetna	\$259,557	\$328,165
American	166,548	217,568
Automobile	108,217	140,875
Atlas	75,192	120,109
Commer. Union Assur.	104,908	135,537
Continental	150,898	145,733
Fidelity-Phoenix	154,522	166,775
Niagara	105,572	131,239
Fire Association	118,354	166,160
Fireman's Fund	174,871	244,201
Firemen's	88,913	110,108
Girard F. & M.	126,006	172,159
Milw. Mechanics	140,670	171,219
Glens Falls	155,640	189,498
Globe & Rutgers	127,383	134,095
Great American	118,434	135,469
Hartford	295,061	394,313
Home, N. Y.	344,870	352,312
National Liberty	116,154	139,056
North America	302,694	337,882
London Assur.	86,247	108,997
Merchants	146,751	161,516
National	192,276	260,247
North British	85,925	131,219
Pennsylvania	100,373	128,470
Northern Assur.	94,621	113,817
Phoenix Assur.	95,883	122,979
Phoenix, Conn.	107,090	127,325
Connecticut	117,891	148,839
L. & L. & G.	163,715	153,928
Royal	166,010	257,866
St. Paul F. & M.	100,473	185,437
Scot. Un. & Nat. & Brit.		
Underwriters	96,504	126,703
Security	82,762	100,444
Springfield	225,865	281,997
Sun	83,231	125,327
Northw. National	174,816	218,053
Travelers	90,516	101,715

MAY SUGGEST SUBSTITUTE RIDER

At the special meeting of the Chicago Insurance Agents Association Dec. 14, suggestions will probably be made as to measures which might be substituted for the automobile garage endorsement to be enforced in the Chicago territory by the National Association of Automobile Underwriters beginning Jan. 1.

Experience or Theory?

«»

We are never impressed when a non-advertising company tells us that advertising in The National Underwriter is "no good" or that "it won't get us any place". Of what value is the opinion of a company which has never done any regular, consistent advertising?

A company is, of course, entitled to its own opinion regarding advertising, but the only companies that really know the worth of it are those which have done enough to observe the difference in their progress, development and general standing when advertising and when not advertising.

The opinion which carries conviction and weight is the one that is based on experience. The company which has "been through the mill" knows. A few years of actual experience are worth twenty of theorizing.

By advertising we mean, not the insertion of one or two pieces of copy throughout a whole year on what may be regarded as special occasions, but steady, persistent hammering away week after week, month after month, one year after another. The companies which have advertised in this way know from experience what it is worth, and it is of more than passing significance that they are continuing and not discontinuing their advertising in these days of economy, when all unnecessary expenditures are being eliminated.

On the other hand, the views which the non-advertising company holds regarding the merits of National Underwriter advertising must be appraised for what they are—theories and impressions that do not rest upon the solid foundations of actual experience and first hand knowledge.

(Number 12 of a series devoted to the merits of National Underwriter advertising)

«»

The National Underwriter

The leading weekly insurance newspaper

E. J. WOHLGEMUTH
President



C. M. CARTWRIGHT
Managing Editor



COVERAGES EFFECTED

FIRE,
AUTOMOBILE,
TORNADO,
RENTS,
LEASEHOLD
EXPLOSION,
RIOT and CIVIL
COMMOTION,
PROFITS AND
COMMISSION,
USE & OCCUPANCY
INLAND MARINE
OCEAN MARINE

FIRE INSURANCE "PLUS"

Stock fire insurance goes far beyond merely furnishing an indemnity of a definite amount for a specified premium. It gives secondary services that are of incalculable benefit.

Through surveys of houses, buildings and water systems, the testing of stoves, furnaces and similar appliances, through definite building codes and unremitting educational work, the fire insurance industry has labored to keep fire loss at a minimum. Through its unceasing efforts the home has been made safer and fire insurance protection far cheaper than could otherwise be.

These "plus" services are gratuitous and are a regular part of a Patriotic fire insurance program.

PATRIOTIC INSURANCE COMPANY of AMERICA

HEAD OFFICE
55 FIFTH AVENUE, NEW YORK

OSWALD TREGASKIS, President

WESTERN DEPARTMENT
WRIGLEY BLDG.,
CHICAGO

JOHN F. STAFFORD,
Manager

MARINE DEPARTMENT
11 SOUTH WILLIAM ST.,
NEW YORK

WM. H. MCGEE & CO.,
General Agents

PACIFIC DEPARTMENT
SAN FRANCISCO

C. A. HENRY,
General Agent

The endorsement provides that there shall be only 75 percent recovery for a stolen car, which did not have regular garage facilities. The agents have vigorously protested.

One of the proposals likely to be suggested by the agents is that a substantially higher premium be charged the assured who does not have regular garage facilities, and that a credit be allowed for the assured with a garage. The agents will probably suggest that the garage warranty be strengthened. This, the agents believe, would accomplish the purpose, for which the 75 percent recovery endorsement is designed, but they say it would eliminate controversy in adjustments.

The agents will also reiterate their position that whatever change is decided upon it be inaugurated at the time the 1932 rate manual is issued.

* * *

DIVISION GOES OVER TOP

The insurance division of the Illinois governor's drive for funds to aid the unemployed has gone 28 percent over its quota with a total of about \$153,000 on a quota of \$120,000. The fire section, with a quota of \$90,000, has received \$115,000, and the life section is slightly over its quota of \$30,000. Ernest Palmer, manager Chicago Board, is chairman of the insurance division.

* * *

WORKING ON FAIR POOL

Although strenuous efforts are being made to put the Chicago World's Fair insurance pool into operation by the first of the year, much work remains to be done. Many of the companies have not yet agreed to participate, hesitating for one reason, until arrangements are completed under which each company, when signing for a share or percentage of the business, can be advised of its maximum limit of loss.

The pool is to be administered by the Underwriters Grain Association under Manager W. L. Lerch and many of the practices of the grain association will probably be applied to the World's Fair pool. In order that the companies may participate with the knowledge of the maximum loss they might incur, excess cover similar to that carried by the grain association will probably be negotiated at London Lloyds. For instance, the grain association has one arrangement, whereby members are liable for the first \$800,000 of a loss and London Lloyds assume the second \$800,000, grain association members then coming in again.

Another problem is the matter of commissions. There has been no final agreement as to this feature. At one time, it was suggested that each of the agencies in the city be paid commissions proportionate to their total volume of business. Grain association officials feel that this plan would entail a vast amount of bookkeeping and would not necessarily be fair. For instance, an agency today might collect a commission based on last year's volume, although this year's volume is half what it was. Likewise, an agency might have become aggressive and doubled its business.

The grain association seems to favor a commission plan based on that used in connection with the insurance on grain of the grain stabilization board. Much of this business went through Marsh & McLennan's office; the grain association paid the commission to Marsh & McLennan, who in turn split the commissions with agents at the various points.

Likewise, Marsh & McLennan will be the agency originating the World's Fair business and the grain association would like to make Marsh & McLennan responsible for allocating the commissions.

The commission question, however, can be solved after the pool is in operation. The important job now is to get the companies to subscribe to the pool and to negotiate an excess cover.

In the meantime, the World's Fair buildings, which are now completed or under construction, are covered by means of individual arrangements. When

Offer for Control of Aero Underwriters Is Accepted

NEW YORK, Dec. 9.—The offer of an unnamed bidder for stock control of the Aero Underwriters Corp. has been accepted by enough stockholders to fulfill the conditions of the offer and give the bidder controlling interest. A minimum of 72,000 shares was specified, for which \$12.50 a share was offered. It is understood that checks have already been mailed to stockholders who have deposited their stock. Others who desire to do so have until Dec. 23. The corporation controls the Aero Insurance, Aero Indemnity, Aero Engineering & Advisory Service and Barber & Baldwin, aviation underwriters for a number of companies.

Mutual, Reciprocal Merge

KANSAS CITY, MO., Dec. 9.—The Western Underwriters Mutual organized recently with Frank C. Harvey, president, R. R. Nelson, vice-president, and A. E. Davidson, secretary and treasurer, has absorbed the Western Reciprocal Underwriters. Officers of the mutual are identical with those of the Harvey-Nelson Underwriting Company, attorney-in-fact and manager for the Western Reciprocal.

The purpose of the merger was to give the organization more flexible underwriting possibilities. Another purpose was to enable the organization to act as reinsurance carrier for part of the Western Reciprocal's risks.

Iowa, Oklahoma and Missouri have approved the reinsurance consolidation. The mutual is now licensed in six states and has application for entrance into several others.

the pool is launched, the present insurance will be cancelled.

* * *

George H. Coleman, Cook County manager Central Fire, McKinlock building, Chicago, has resigned as a class 1 member of the Chicago Board.

R. H. Goffe of Goffe & Griswold, New York brokers, has been elected director of the Great Eastern Fire of White Plains, N. Y., to fill the vacancy caused by the death of C. H. Smith.

WANTED

By Illinois Automobile Company. Special agent for central and northern Illinois. Describe yourself, past experience and employers, and salary expected. Address U-65, The National Underwriter.

POSITION WANTED

Special agent with 7 years experience, now employed, desires new connection with fire company in Illinois, Wisconsin, Indiana or Ohio. 35 years old. Married. Best of references. Address U-64, The National Underwriter.

Young man, ambitious, with fair volume of Chicago business on books and 10 years general insurance experience desires full or part time connection with general agency with privilege of developing personal business on commission basis, capable of handling engineering, service or clerical work. Address U-63, The National Underwriter.

Dean Schedule Engineer

With five years of rating bureau, company underwriting and field experience. Desires either production or engineering work or combination of both. Address U-62, The National Underwriter.

POSITION WANTED

Fire Insurance Engineer wants position half day for 5 days each week. Graduate Engineer. Ten years' experience in Chicago and Cook County.

Address U-60, The National Underwriter

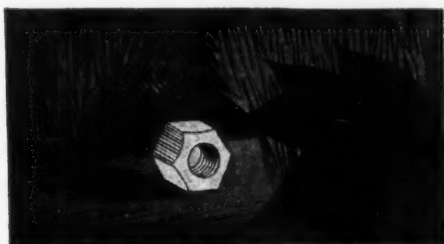
Every Ætna Advertisement Advertises Every Ætna-izer!

Month by month, Ætna advertisements, in leading magazines, keep
pounding home Ætna's *business-building* slogan:

**"SEE THE ÆTNA-IZER IN YOUR COMMUNITY
HE IS A MAN WORTH KNOWING."**

25,000 ÆTNA-IZERS from Coast to Coast thus *benefit in dollars and cents for their
own pocketbooks*. It pays to be an Ætna-izer.

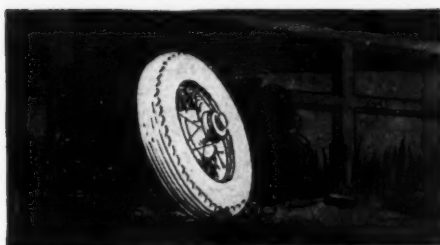
For want of a Nut—



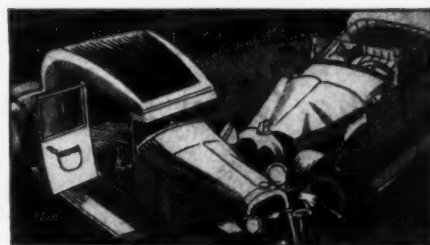
For want of a Nut—
A BOLT WAS LOST



For want of a Bolt—
A WHEEL WAS LOST



For want of a Wheel—
CONTROL WAS LOST



For want of Control—
A FORTUNE WAS LOST

*This is a reproduction
of one of Ætna's Full
Pages for 1931*

A FORTUNE LOST? Yes, when you realize that Jury verdicts nowadays may run even to six figures! And who pays? . . . For want of the right kind of insurance, you may—and even the right kind of insurance may not be enough unless you have had the wisdom to purchase adequate limits. Your insurance covers you only to the amount of your policy. Additional coverage costs but a fraction more than your initial coverage. An Ætna Combination Automobile Policy can be written with Liability and Property Damage limits of any amount needed to protect you against high damage awards. Protection *all ways—always*, with 25,000 ÆTNA-IZERS from coast to coast to give prompt emergency service wherever your car takes you.

SEE THE ÆTNA-IZER IN YOUR COMMUNITY. HE IS A MAN WORTH KNOWING.

Æ T N A - I Z E

The Ætna writes practically every form of
insurance and Fidelity and Surety Bonds.
The Ætna is the first multiple line insur-
ance organization in America to pay
to its policyholders one billion dollars.



• 93 •

The Ætna Casualty and Surety Company
The Ætna Life Insurance Company
The Automobile Insurance Company
The Standard Fire Insurance Company
of Hartford, Conn.

The Ætna Casualty & Surety Company
The Ætna Life Insurance Company
The Automobile Insurance Company
The Standard Fire Insurance Company
of Hartford, Conn.



The Ætna Casualty & Surety Company, Hartford, Conn.

- ☐ I would like a free copy of Ætna's booklet on the new
Automobile Financial Responsibility Laws.
☐ I am interested in an Ætna connection.

Name

Address

VIEWED FROM NEW YORK

By GEORGE A. WATSON

I. U. B. ANNUAL MEETING

Reports from W. Ross McCain, chairman of the governing committee of the Interstate Underwriters Board, and J. R. Dumont, manager, were submitted at its annual meeting and several matters brought up for discussion were reviewed by the members generally. Following the annual meeting of the Eastern Underwriters Association Nov. 10, the president of that body will name

its member on the I. U. B. governing committee. Each of the four regional governing organizations—Eastern Underwriters Association, Southeastern Underwriters Association, Western Underwriters Association and Pacific Board—has a representative.

The wish is general that Mr. McCain, vice-president of the Aetna, who has served admirably as chairman of the governing committee the past year, will

occupy the post for at least another 12 months.

CALHOUN BROKE THE ICE

President W. B. Calhoun of the National Association of Insurance Agents was the insurance herald of the hosts that invaded the Hotel Pennsylvania in New York this week in connection with the insurance commissioners meeting. Mr. Calhoun arrived last week to attend the conference with the Interstate Underwriters Board and established headquarters at the Pennsylvania. He spent Sunday with Secretary W. H. Bennett at his home in Montclair, N. J. Executive Committee Chairman C. L.

Gandy arrived from Birmingham Monday. Other National association leaders foregathered so the headquarters was the seat of many personal conferences.

Royal Has Inland Offices at Chicago, Dallas, Boston

The inland marine department of the Royal-Liverpool group has made several service extensions and appointments.

A branch service office in the Insurance Exchange building, Chicago, has been opened in charge of H. T. Jennings and J. W. Coffin, special representatives.

A service office at 40 Broad street, Boston, has been placed in charge of Special Representative C. W. Knox, Jr.

At Dallas a service office has been opened in the Allen building. It is under the supervision of George F. Cox, Jr., who was formerly in the Atlanta office, which continues under the direction of W. K. Van Arsdale.

Douglas Cook Dies

Douglas V. Cook, 29, Indiana special agent of the farm department of the Fidelity-Phenix, died at his home in Indianapolis Tuesday after several months' illness. He was the only son of Clarence A. Cook, Indiana state agent of the farm department for that company. He had been with the company for several years. He was a graduate of De Pauw University and took a post-graduate course at Harvard.

Kemper Merges Mutuals

President J. S. Kemper announces consolidation of the Federal Mutual Fire and Twin Mutual Fire, following special policyholders' meetings. The merger had previously been approved by the two boards of directors. The consolidated company will be known as the Federal Mutual Fire and will have more than \$72,000,000 insurance in force.

The Twin Mutual was a consolidation of the Grain Dealers Mutual, Automobile Mutual Fire and Beacon Mutual Fire, all of Boston.

Deferred Pay Department

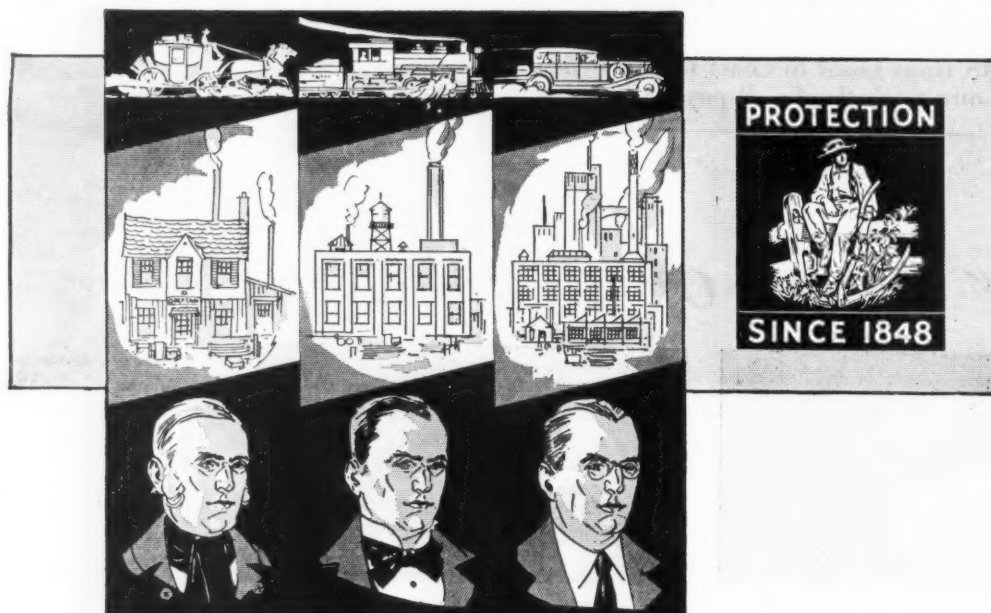
The Inter-Ocean Casualty Company has a deferred payment department and will operate through W. M. Chittenden & Co. of Cincinnati.

Veteran Retires



HORACE W. BOYD

After 27 years in hte service of the Royal, Mr. Boyd is retiring at the end of the year as manager of the Chicago branch.



GREAT GRANDFATHER KNEW—AND TRUSTED ...the Ohio Farmers

In providing Protection Since 1848, the Ohio Farmers has enjoyed the confidence of American property owners for 83 years.

To you, it is even more important to know that representation of the Old Man on the Fence has been held in certain insurance families for generations, passing from father to son and to grandson as a cherished inheritance.

It is hard to put in words the reason for this preferment. Some people say it is because the Ohio Farmers is the Company with a Soul. If you want this kind of a company in your office, write to the home office at LeRoy.

fire
AND
AUTOMOBILE
INSURANCE

OHIO FARMERS
INSURANCE CO. - LEROY, O.

"The Oldest American Fire and Marine Insurance Company"

Founded 1792



Insurance Company of North America

PHILADELPHIA

and its affiliated companies:

ALLIANCE CASUALTY COMPANY
THE ALLIANCE INSURANCE CO. OF PHILA.
CENTRAL FIRE INSURANCE COMPANY
INDEMNITY INS. CO. OF NORTH AMERICA
NATIONAL SECURITY FIRE INS. CO.
PHILADELPHIA FIRE & MARINE INS. CO.

*write practically every form of
insurance except life*

North America facilities are now available in
the Philippines, Porto Rico, Mexico,
China and Great Britain

Assets of North America Companies are more than \$117,000,000.00

AMERICAN INDEMNITY COMPANY GALVESTON

C. S. KUHN, Vice President

COMPLETE
AUTOMOBILE PROTECTION

FIDELITY
AND
SURETY BONDS

Desirable
general agency
contracts
available in
unallotted territory

SAFETY
SATISFACTION
SERVICE

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other companies
do for their agents
within the bounds of
sound, ethical business
and good underwriting
practice, we will do.

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WINDSTORM
AUTOMOBILE INSURANCE

AMERICAN
Fire & Marine
INSURANCE COMPANY
GALVESTON

E. C. FRENCH, Vice President

Commissioners in Valuation Debate

(CONTINUED FROM PAGE 3)

conditions the market quotations on stocks and bonds for a particular day are not a fair standard for the ascertainment of fair market value of such securities, and recommends as a present substitute therefor the average price of stocks and bonds as reflected by the exchanges for a range of five quarterly periods ending Sept. 30, 1931.

"Resolved, That since the fair average thus ascertained is approximately the closing price of securities on June 30, 1931, the prices of June 30, 1931, be taken as the fair market value during the current year and that such standard be accepted for the annual statements due as of Dec. 31, 1931, except that securities should not be valued at more than the purchase price if purchased since June 30, 1931.

Left to Commissioners

"Resolved, That in cases where the condition of companies may require the immediate disposition of securities at present prices it is the opinion of this committee that the discretion of a commissioner of insurance should be exercised to vary the general formula herein set forth so as to adopt the prices then reflected by the exchanges.

"Supplementing the resolution as to market values of securities upon an average basis instead of the exchange quotations of Dec. 31, it is further resolved that in the valuation of bonds which have defaulted in principal or interest since June 30, 1931, and in the valuation of stocks and basis of corporations in receivership since June 30, 1931, the convention value shall be the exchange quotations of Dec. 31, 1931, instead of the average value as provided in the principal resolution."

Presented by Van Schaick

The resolution of the committee on valuation of securities was presented by Chairman Van Schaick. He gave the history of the resolution and the reasons which had actuated the committee in its adoption. There was a general discussion, participated in by Dunham of Connecticut, Lowry of Mississippi, Mortensen of Wisconsin, Davis of the District of Columbia, Tarver of Texas and Reese of Tennessee.

The vote was taken and President Livingston announced that it would not be necessary to poll the states, as there were only three states in opposition.

A motion was then adopted directing the secretary to send the resolution to the commissioners of all the states, together with a copy of the statement which was made by the chairman of the committee on valuation of securities in presenting the resolution to the convention.

Dunham's Stand Broadened

It was announced that the dissenting report of Colonel Dunham of Connecticut had already been sent to the commissioners of the various states.

Superintendent Van Schaick, in upholding the average method of valuation, said:

"It has been the custom to appraise the value of securities carried as assets by companies and reported in the annual statements at the price quotations for Dec. 31 in each year as reflected by the exchanges.

"Under ordinary business conditions this is sufficiently accurate. To do so under the unprecedented economic and financial conditions now prevailing would be unfair and inequitable to companies where the business of insurance is prosperous, the management competent and honest and the investments of high character.

Average Deemed Better

"The exceptional and sensational fluctuations in market quotations prevailing during the final months of this year make it desirable to abrogate the practice of taking the market quotations of

a particular day as indicative of fair market value.

"There is ample precedent for such modification of the general rule. In 1907 the superintendent of New York was advised by the attorney-general that it was not prescribed by any statute of this state that he should appraise the securities enumerated in such annual statements at the market value prevailing on any specified day.

"The attorney-general pointed out that if the superintendent were required arbitrarily to appraise values prevailing in the market on Dec. 31, such practice might result in an appraisal widely at variance with fair market value.

Many Artificial Factors

"He further pointed out that extraordinary circumstances, such as reckless manipulation of securities, stringent monetary conditions or panics, might create a temporary market price for a security at such a low level as to be utterly inadequate to indicate its actual market value; that uncommon situations in the market might result in the establishing of an extravagantly high market price, one far in excess of its actual value.

"The National Convention of Insurance Commissioners took the same position in 1907, and in 1907, 1914, 1917 and 1918 to 1921 adopted as a substitute for the actual market quotations on Dec. 31 of each of those years various averages over a period as a proper standard for ascertaining fair market value.

Usual Standard Inaccurate

"The resolution of the committee on valuations now presented to the convention is nothing more than the adoption of a standard during unusual and abnormal conditions in place of a standard which for the time being is inaccurate. It is to the interest of the vast army of policyholders that the assets backing their policies should not be needlessly sacrificed.

"Unless such a pronouncement as this is made and adopted by the insurance departments in the various states there will be every incentive for companies to dispose of essentially sound securities forthwith. If that is done, the situation will be greatly aggravated. This wholesale dumping of securities will in turn aggravate the existing unsettled state of the country's economic activities.

Not a Radical Proposal

"There is nothing new or radical in the proposal. The resolution by its term is applicable only to companies whose financial condition is such that they do not need to resort to an immediate market to obtain funds from their securities for corporate purposes. In the case of companies requiring the immediate disposition of securities at present prices, it is recommended by the resolution that the discretion of an insurance commissioner should be exercised as to the adoption of the convention values.

"The New York department recognizes that under certain abnormal conditions the range of the market over a reasonable period is a more accurate guide to fair market value than the prices of a particular day; that the present situation of the securities market is similar to that which led to such conclusion and action by the New York department in 1907 and again in 1917.

Background of Action

"Companies which are fundamentally sound should not be forced into an embarrassing condition because good assets are temporarily frozen. The appraisal of securities at less than fair market value has a tendency to force liquidation at a sacrifice. This is not for the best protection of policyholders, which is the paramount concern of the department.

"The forced liquidation of essentially sound companies is a needless hardship. The discretion of the superintendent of insurance in New York will be exercised to vary this general formula of average values of the National Convention as

special circumstances demand. Circumstances may arise where the carrying out of a company's contracts requires the liquidation of securities to meet its maturing obligations. In such cases it is obvious that the immediate market must be used in order that a correct reflection of financial conditions be had."

The keenest sort of interest was taken in the meeting of the Insurance Commissioners this week because of the securities subject. Commissioner Dunham of Connecticut stuck by his guns for Dec. 31 valuation. At times it seemed to be a fight between Hartford and New York City, inspired perhaps more by the fire companies than any other group.

Company executives were here in large numbers and with few exceptions urged the modified June 30 figures.

The convention held a brief session Monday morning with President Livingston of Michigan in the chair. An adjournment was taken in a short time so that the committee on valuations could hold an executive session.

Dunham Presents Views

Col. Dunham expounded his views at length and declared that the laws of his state compelled him to use the Dec. 31 figures. His position was attacked vigorously by other commissioners. The committee voted on the June 30 quotations. A subcommittee headed by Hanson of Illinois worked all the afternoon on methods to be pursued in special cases. The convention reassembled Tuesday morning, but soon went into executive session to consider the report of the valuation committee. It was a strenuous meeting, lasting until nearly 1 o'clock. Another meeting was held Wednesday morning.

All present were guests of the Equitable Life of New York at luncheon at the Hotel Pennsylvania Wednesday noon, its home office building being next door.

The fire insurance committee, of which Hanson of Illinois is chairman, met Wednesday morning to consider a revision of the classification list and in reporting premiums and losses Manager R. P. Barbour of the Northern Assurance spoke for the National Board.

Commissioner Mortensen of Wisconsin presented a plan he has prepared for use in his state to secure classified experience as required under the new law. He stated he had conferred with J. V. Parker, manager of the Western Actuarial Bureau at Chicago, and Manager Nichols of the Wisconsin Inspection Bureau.

Name Committee of Three

After Commissioner Mortensen presented the proposed Wisconsin classification, which comprises 12 groups, it was decided to appoint a committee of five to study the subject. Mr. Mortensen declared he desired to have the suggestion of the committee. It was felt that there should be uniformity if possible so that Wisconsin should not be isolated too far from the National Board list.

The committee consists of Dunham, Connecticut, chairman; Mortensen of Wisconsin, Van Schaick of New York, Hanson of Illinois and Livingston of Michigan. It was understood that the National Board would appoint a conference committee to confer with the commissioners' sub-committee after R. P. Barbour presented the proposed revision for the National Board classification, so that there be 26 classes instead of 28, bringing about certain regroupings to make the figures more informative.

The fire insurance committee voted to report the revision favorably.

Take Up Floater Form

J. J. McGrath of New York brought up the subject of the new personal property floater, stating that the marine companies were thus invading the fire and casualty field, and a sub-committee to canvass the subject and report to the

(CONTINUED ON NEXT PAGE)

E. U. A. Elects Shallcross President at Annual Meet

HARMONY IS STRONG NOTE

Progressive Policy Which Has Resulted in Stabilizing Expected to Be Maintained

NEW YORK, Dec. 9.—As its executives for the new fiscal year the Eastern Underwriters Association at its annual meeting at the Waldorf-Astoria here yesterday, elected C. F. Shallcross, United States manager North British & Mercantile, president; R. B. Ives, president Aetna, and J. Lester Parsons, president United States Fire, vice-presidents, and B. M. Culver, vice-president America Fore companies, treasurer.

Manager Sumner Rhoades continues as the chief administrative officer. The president will later announce membership upon the executive committee, which will then select its own chairman and will also designate the executive committee membership of the Interstate Underwriters Board.

Fine Cooperation Evidenced

The gathering of members of the E. U. A. was unusually well attended, and a fine spirit of cooperation is understood to have prevailed throughout the entire general gathering as well as at the meeting of the governing committee which immediately preceded it.

While no formal action was taken upon any major subject, the free discussions clarified many perplexing questions and paved the way for their early future settlement.

Since its formation five years ago the association, under the successive administrations of Presidents Bissell and Milligan, did much to stabilize conditions in the territory under its jurisdiction, and that the progressive policy will be still further developed by President Shallcross is the confident prediction.

Now Has 180 Members

Membership in the E. U. A. now numbers approximately 180 companies, the most recent accession being the Piedmont of North Carolina, a subsidiary of the Aetna Fire.

The resignation of the Great National of Washington was received and accepted.

Mr. Shallcross was formerly chairman of the executive committee. He has served in times past as president of the New York Fire Insurance Exchange and the New York Board, and also as chairman of the executive committee of the National Board and its committee on laws.

Plan for Organization of Insurance Buyers on Coast

SAN FRANCISCO, Dec. 9.—Plans for the organization of an association of insurance buyers in California were launched at a largely attended meeting of representatives of business concerns, including merchants, manufacturers, banks, etc., here Monday. A. G. Westcott, Union Ice Company, and A. P. Lange, insurance manager for Hale Bros. and formerly prominent in fire insurance affairs, addressed the meeting, Westcott explaining the plan and organization of the American Management Association. The San Francisco plan would be to affiliate with the insurance section of the American Management Association if possible.

To Cooperate with Insurance

The idea of the plan is to have an organization which can meet with the recognized insurance organizations to discuss matters of importance and interest to both buyers and sellers. The thought of the leaders in the movement, headed by Westcott who has been

closely associated with American management, is to be of mutual assistance and not an organization conflicting with the insurance interests on the Pacific coast.

Loss Association Meets

The next meeting of the Western Loss Association will be held at the Brevoort Hotel, Chicago, the evening of Dec. 15, the first meeting since the election of new officers. President S. L. Nelson calls on members to bring along some of their problems and experiences for discussion. There will be several matters of importance brought up for

consideration. Paul T. Creagan, Security, Rockford, Ill., is secretary.

Ask Receiver for Mutual

Receivership for the Empire Mutual Fire of Flint is asked in a petition filed by the Michigan attorney general's office in behalf of Commissioner Livingston. Judge Carr of the Ingham county circuit court at Lansing set Dec. 12 as return day on an order to show cause.

The Empire Mutual has been attempting to liquidate since last spring, not having written any business since then. Policyholders, however, have refused to pay assessments and the Michigan de-

partment contends that receivership is necessary.

The deficit is estimated at \$20,000, with unpaid claims amounting to about \$16,000. A. L. Whitaker, secretary, has been in charge of the Empire Mutual.

COMMISSIONERS IN SESSION (CONT'D FROM PRECEDING PAGE)

next meeting was voted by fire committee. Hanson of Illinois presided at the hearing, with Deputy Wade of Michigan as secretary.

The floater committee consists of Van Schaick, New York, chairman; Kidd, Indiana, and Livingston, Michigan.



● Wake them up. Most people keen to learn. Permanent insurance customers. Developed by agents who utilize our Advertising Department. ● Your advertising—it should be individualized to your needs, locality and prospects. ● Plan, copy. Ideas, stunts. Advice, instruction. Sans generalities. Sans bunkum. ● Tell us. Would you like to know more about our Advertising service? And that booklet "Making More Money"? Write us. Now.

BOSTON INSURANCE COMPANY
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North Reelected in Connecticut

(CONTINUED FROM PAGE 5)

see that the quota was fully maintained by new accessions. Attention was called by the president to the mail order insurance solicitation by the Allstate, organized by Sears, Roebuck & Co., which is not entered in the state, and to the Inter-Fraternity Conference which was soliciting coverage on fraternity chapter houses. Mr. North suggested the National association secure a man to devote his time to organize local boards throughout the country. He criticized the giving of stock company rates to mutuals by the New England Insurance Exchange as inconsistent. He advised the agents to guard against repeating rumors detrimental to the companies and agencies.

A. C. Deisseroth, who was in charge of the recent membership drive of the New York State Association, gave a resume of the three day campaign by which 149 new members were secured and many old members reinstated. He stated the system used in New York state had been adopted and put into use by some 14 other states.

Automatic Cancellation

A discussion of automatic cancellation for non-payment was conducted by Mr. Case. One or two members voiced the opinion that the responsibility for the collection of premiums rested with the agents and they had plenty of time to collect and that the companies were to blame if too much time was allowed to agents. Guy Beardsley of the Aetna said local boards could solve the collection problem through credit associations.

A resolution was adopted endorsing appointment of a committee by the National association to investigate the automatic cancellation idea and calling upon officers of the Connecticut association to aid the movement.

J. Benton Miller, new assistant secretary of the National association from New York was introduced and brought greetings.

Col. Howard P. Dunham, Connecticut commissioner, stressed the importance of agents' loyalty to the companies in these strenuous times, referred to the financial difficulties of the companies and prophesied that "consolidations" hadn't started as yet.

Talks on Accidents

R. B. Stoeckel, commissioner of motor vehicles for Connecticut, spoke on the necessity of education relative to motor vehicle accidents. He outlined the plans and work of the Connecticut

department, stating the problem was with the 15 percent of the drivers who caused accidents, of which about half were over-confident and half timid. He stressed courtesy in driving and respect for law, even in trivial matters.

Paul Taylor, president of the New Haven board, gave an interesting talk on "Taking the Sky Route to a National Convention," an experience he underwent in attending the recent Los Angeles meeting.

William Quaid, executive vice-president Southern Fire, spoke on "Bumpers and Shock Absorbers" in which he urged the agents to look upon insurance protection as a commodity and sell it as such. He did not look upon insurance as a profession but thought more could be accomplished by giving a definite substance to the protection sold.

Beha vs. Quaid

James A. Beha, general manager National Bureau of Casualty & Surety Underwriters, before proceeding with his talk upon "Organization Among Casualty Insurance Companies and its Meaning to the Agent," entered into a pleasant controversy with Vice-President Quaid over calling insurance a "commodity" in which the honors were about even.

Manager Beha compared the value of agents' organizations to the relative value of company organization and stressed the importance and worth of such an organization as the National bureau, which, he said, is carrying out the agents association idea among companies and is therefore deserving of the agents' support as a cooperative plan helpful to them.

Talk from Mussolini's Pal

At the dinner Mayor Buckingham welcomed the agents to the city and there was a talk by John Walters, humorist, of Nichols, Conn. Professor Pierre Zampiere, of the Bridgeport Junior College, who was a boyhood friend and companion of Mussolini, gave personal reminiscences.

A congratulatory telegram was read from C. L. Gandy, chairman executive committee National association, after which W. B. Calhoun, president National association, Milwaukee, was presented and addressed the convention. It was President Calhoun's first official visit to New England and he was given a most hearty welcome. He spoke briefly of some of the national problems.

"Why is it," Mr. Quaid, in his speech, asked, "that we do not look at the fire policy maintained as protection of property the same way that we look to the fire department, the police department and the water department maintained for protection of property. We all pay

taxes in one form or another to support the fire department and the police. But notwithstanding that we do pay large sums for their support, we hope that the necessity will never arise for our having to personally call on their services. The only difference that I can see between the fire and the police departments and the insurance policy is that the fire department and the police department protect the property before and during the fire and the insurance policy after the fire.

"I believe that's the way we all ought to look at insurance. That we are manufacturing and selling bumpers and shock absorbers just as our automobile friends are, and at a minimum cost to our buyers and keep it in mind that the best thing that can happen to our customers is, never to have to call into use the bumper which we have sold them."

Value of Organizations

Mr. Calhoun painted an impressive picture of the value of trade organizations in general and the National Association of Insurance Agents in particular. To estimate the worth of the National association, he said it is necessary to look back to the early years when local agents were laboring under handicaps, which would not be tolerated today. He cited the fact that ownership of expirations has been established, resident agency laws have been passed; company representation is limited in many places as the result of cooperative efforts of the local boards. "Individually," he said, "we can do nothing, but through collective efforts we have the strength for accomplishing the results desired for the good of the business."

After mentioning the machinery for conferences between local agents and fire, casualty and surety companies, Mr. Calhoun said: "Let us show the companies who are supporters of our principles that we can go hand in hand with them in creating a new era in the business of insurance."

He commended the Connecticut association on reaching its membership quota, but cautioned against relaxing efforts during the final year.

Excess Commission Evil

Mr. Beha said that control of production cost is not only of vital importance to the agent but it is a subject vested with public concern. Business written on the basis of excess commissions, he said, is written at cut rate. The producer accepting an excess commission, which is not provided for in the acquisition cost rules, is taking something to which he is not entitled, Mr. Beha declared. He is accepting something in the nature of a bribe to place the par-

ticular risk with a certain office. He is depriving the company of its proper share of the premium.

"It is because of this situation that the public service aspect of the work of the conference on acquisition cost is so important," he said.

Rate adequacy, only proper allowance for production cost, sound underwriting principles must be adhered to, especially today, he said. None of these things can be disregarded with impunity. "The man who is really helping business recover," he said, "cannot violate fundamental principles to grasp a small immediate gain."

Public Faith Increased

The impressive manner in which the companies generally have met present day conditions has increased the public faith in insurance, Colonel Dunham declared. Although many companies have been merged or absorbed, according to Col. Dunham, their going has meant no loss nor shaken the faith of the public in the institution of insurance. He said that faith must never be permitted to grow less. Without it, he declared, the insurance business would never have developed to its present extent.

The people have seen hundreds of banks fail, he pointed out. They have seen other economic and financial disasters. They have found comfort in the fact that insurance stands like the rock of Gibraltar. The foundation of insurance and its subsequent management have been based on progressive conservatism, which has been ridiculed, he said, by unthinking and ignorant persons as being unenterprising and lacking in courage. He said that insurance today is a monument to American genius and enterprise.

Safety Is Paramount

"Scant wonder then," he said, "that the leaders of the business are unwilling to do anything which might tend to weaken the structure of insurance, holding fast to the principles upon which that structure was built, for they realize that departure from them might spell disaster. Of these principles, that of safety is paramount. The main concern of responsible insurance leaders is in being able to carry out contracts. Some of the serious difficulties that beset insurance companies today are attributable to the neglect of those principles by companies which permitted their investment activities to overshadow their underwriting function."

Col. Dunham warned against being lured by excess commissions. Companies offering those inducements, he said, are defying the laws of economics and planting the seeds of destruction.

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COMPANY NEWS

Rossia Readjusts Capital

Par Value of Shares Reduced from \$10 to \$5 and \$1,500,000 Transferred to Surplus

A special meeting of stockholders of the Rossia has been called for Dec. 18 to act upon the recommendation that the capital be reduced from \$3,000,000 to \$1,500,000 and \$1,500,000 be transferred to surplus. This would be done by reducing the par value of the shares from \$10 to \$5.

President C. F. Sturhahn points out that the decline in security values has had a serious effect upon surplus. In view of the fact that Commissioner Dunham of Connecticut has announced that market values as of Dec. 31 must be used in annual statements, Mr. Sturhahn said it is advisable that the surplus of the Rossia be thus increased. He advises that the action will not in any way reduce assets and that the equity of every stockholder will be exactly what it is at this time.

The present \$3,000,000 capital of the Rossia was built up to the extent of \$1,200,000 by stock dividends in the past.

Providence Washington Dividends

Directors of the Providence Washington have voted that future declaration of dividends shall be made in the same month in which dividends become payable. Consideration of dividends will be given by the directors this month. Previously it has been the practice to declare dividends the month before payment was due.

The Republic of Dallas, Tex., has been licensed to write fire reinsurance in Michigan.

Way Is Paved for Accord at Confab

(CONTINUED FROM PAGE 5)

Home; P. L. Haid, president America Fore; A. H. Wittholn, secretary Globe & Rutgers; F. P. Hamilton, president Queen; Sheldon Catlin, vice-president North America; J. N. Waller, secretary Aetna, and J. R. Dumont, manager. The special committee of the National association was made up of H. R. Manchester, Cleveland (chairman); L. M. Drake, Chicago; A. J. Smith, New York, and Secretary W. H. Bennett. President W. B. Calhoun was to have attended but was forced to leave for Bridgeport to address the Connecticut Association of Insurance Agents meeting.

Manchester Disavows "Plan"

Much has been said during the past year or two regarding the "plan" which Mr. Manchester was reputed to have prepared for submission to the management of the I. U. B. The term "plan" as applied to the suggestions Mr. Manchester jotted down for discussion was a misnomer and was promptly disclaimed by him. He did have a number of ideas which he felt would remove some of the causes of friction between agents and the I. U. B. and these were submitted and reviewed from all angles and some counter-suggestions advanced by the company executives. The agreeable outcome of the meeting again evidenced the wisdom of joint conferences between agents and managers when subjects of common concern are involved.

North Carolina Loss Committee

The North Carolina Field Club has named as members of its loss committee R. H. Lewis, special agent MacAl-

lister companies, Greensboro, president of the Club; H. C. Hunter, Hartford Fire, chairman; J. K. Shannon, Firemens group, and J. W. Cheshire, Continental.

Butt Elected President of Cook County Field Club

John Butt, special agent Niagara Fire in Chicago, was elected president of the Cook County Field Club at the annual meeting Tuesday. F. B. ("Buck") Ingledue of the Pennsylvania Fire was elected vice-president, and A. J. Casey,

special agent G. A. Mavon & Co., was named secretary-treasurer.

Five were elected on the executive committee: John Segerdahl, National; Ralph Black, Northern Assurance; C. C. Hatcher, Jr., Hartford, retiring president; Walter Putz, North America, and John Ferguson, Fireman's Fund.

Mr. Hatcher reported unusually clean competition between offices represented in the club despite trying times, reduced premiums and other conditions which might have made for neglect of usual ethical relationships. Secretary L. C. Peterson reported an average attendance of 36 at meetings this year. The club

now has 96 members. G. A. Mavon complimented President Hatcher for injecting more life into the club than it has had for a long while.

Pacific National in Denver

The Mountain States Agency Company of Denver, of which Raymond H. Stebbins is president, has been appointed general agent for Colorado, Wyoming and Utah for the Pacific National Fire, subject to licensing of the company in those states. Elmer W. Bonstin, vice-president, and R. J. Mayle, secretary-treasurer Pacific National, arranged for the appointment.



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"Dealer in the unexpected" might give a mystery flavor to the title of insurance agent. It would serve, at least, to set people to thinking about all the risks they face, instead of the few they know and provide against. But, title or no title, there's business to be had in selling the whole line. And representing a company that can do the whole job up brown is a real asset to a good agent.

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THE NATIONAL UNDERWRITER

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Differences in Insurance Quality

THERE are differences in the grade of insurance offered. Some of it is of the finest quality, other is good, other is fair, other is not so good, some is poor and some is utterly bad. When a man gets first-class insurance he must pay the price to meet the cost. Concerns that sell "cheap insurance" will some time come to grief. No institution can continue selling goods below cost. Frequently so-called "cheap insurance" means shoddy insurance.

"The Hartford Agent," house organ of the HARTFORD FIRE, tells a story and uses its application to the insurance business illustrating the points we have made. "It says:

"In the good old days when stage coaches flourished, and the iron horse wasn't even a colt, a young man approached a certain coaching office and asked for accommodations to Poughkeepsie. 'First, second or third class?' inquired the booking agent. 'What's the difference in cost?' replied the passenger. The tariff rates were explained, and he bought a first class accommodation. When the coach drove up, he found himself put in exactly the same sort of seat as those occupied by the second and third class passengers. Inwardly fuming at the neat trick which he thought had been played on him, he sat glowering out of the window.

Using Wise Counsel

Many men do not appreciate the value of weighing the judgment and counsel of others who have had wide experience. While a man must decide for himself what he shall do, he can gain much

The Worker Is Getting Results

PERHAPS in these days we are all too prone to meditate on the past, to bewail the present conditions and to see no change for the better in the future. We are giving too much time to thinking things over

"By and by they came to Breakneck Hill—which wound its rocky way up and up toward the sky for two miles or more. The coach stopped at the bottom, and the guard got down and opened the door. 'First class passengers sit still,' he bellowed. 'Second class passengers get out and walk. Third class passengers—get out and push!' The young man thanked his stars that he had invested in the best form of accommodation—but realized that only by a sudden whim had he bought the first class passage which entitled him to sit still and rest while the others toiled up the steep hill in the hot sun.

"A lot of insurance buyers around you are in the same sort of situation. If fire cleans them out, some will be taken care of in first class manner—some will have to do a lot of scraping and pinching—while some will simply have to get down to bed rock and slave like packhorses. The pity of it is that they all are paying the same rate for their protection, or at least there aren't any marked grades of difference. In theory your policyholders will be in the first class group—but only because your personal service has placed them there. If it comes to a pinch, however, would your clients all be as safe as insurance can make them?"

from listening to others and tearing a chapter out of the book of their own life. The advice of a man of poor judgment is worthless. That of a man of excellent judgment is priceless.

instead of putting things over. The agent who is systematically, intelligently and conscientiously working is getting results even in times when business is dull. Anybody who works will get some results.

PERSONAL SIDE OF BUSINESS

Mrs. Earl H. Patton, whose husband was recently promoted from Kansas state agent for the Northern to assistant secretary, is a talented soprano and has filled numerous engagements in Kansas towns. Shortly before her departure for New York, Mrs. Patton gave a program of three periods before the Twentieth Century Club in Wichita, which received much favorable comment in the Wichita press.

Paul F. McKown, special agent St. Paul Fire & Marine in Wisconsin, is receiving congratulations on the arrival of a son. The young man becomes a member of a real insurance family, and an insurance career is already being predicted for him.

More than 50 Newark insurance men are giving a dinner to Frank G. Voorhies Thursday evening in honor of his promotion to general agent of the Fireman's Fund for the eastern department, with headquarters in Boston. Mr. Voorhies has long been a leader among field men in New Jersey and has been in the field in New Jersey for the past 12 years. He will be presented with a handsome desk set.

A. Singleton Paull, head of the Alfred Paull & Sons insurance agency, Wheeling, W. Va., was shot and killed last week when the gun, which he was carrying, was accidentally discharged as he was climbing a fence while hunting. Mr. Paull was 48 years old and head of the general agency which his father had founded.

Mrs. W. C. Lyle, wife of W. C. Lyle, general agent of the St. Paul Fire & Marine at Omaha, died last week. Besides her husband she leaves a son, Donald, and a daughter, Dorothy.

John A. Hanson, former manager of the Western Adjustment at Detroit, is seriously ill in a hospital at Winona, Minn. He suffered a seizure while visiting a sister in that city.

The Western Adjustment lost two promising adjusters by death last week. Carl A. Jensen, who was attached to the Mankato, Minn., office, was killed in an automobile accident near Shakopee. He was returning to Mankato after attending the funeral of his father. Mr. Jensen joined the Western Adjustment in March, 1930.

G. N. Elbert, resident adjuster at North Platte, Neb., died as the result of an emergency operation for appendicitis. He joined the Western Adjustment in May, 1929.

Bavie C. Miller of Chicago, member of the well known firm of Critchell, Miller, Whitney & Barbour, died Tuesday at his home in the Edgewater Beach hotel at the age of 73. Although being indisposed for the last three or four weeks, Mr. Miller had gone to his office until this week. Funeral services will be held Thursday afternoon at 3 o'clock from Graceland cemetery.

The remarkable fact that Mr. Miller was one of three men, two of whom survive, who had been continuously in active business association for 50 years, is recalled by Mr. Miller's death. The other two men are C. P. Whitney and Frank Barbour. In that 50 years, there was never a dispute to mar the association, Mr. Barbour said.

Mr. Miller was born in Claverack, N. Y., in 1858. He went to Chicago at an early age and entered insurance in 1873 in the office of Teall & Fisher. In 1880 when Mr. Miller was a dominant figure in the agency, which by then was known as Fisher Brothers, he employed Mr. Whitney and Mr. Barbour.

The three later joined Granger-Miller & Co., which later became Smith,

Miller Whitney & Barbour. Then there was a consolidation with R. S. Critchell & Co., and the firm assumed its present title. Other agencies subsequently were taken in, including Fleetwood & Pellet, Clarence S. Pellet then joining the agency. N. J. Bennett subsequently joined forces.

Mr. Miller was one of the oldest active members of the Chicago Board.

Completion of 50 years of service with the North America by John J. Connor was occasion for a golf club dinner in Philadelphia, attended by the official staff of the company. Mr. Connor, who is secretary and treasurer, was presented with a gift. He joined the North America at the age of 16. He was appointed assistant secretary and treasurer in August, 1918, and was advanced to his present position in 1929.

Ray B. Duboc, president of the Western companies of Fort Scott, Kan., has purchased a handsome residence in Kansas City, Mo., and will make his home there in the future.

Walter H. Bennett, general counsel National Association of Insurance Agents, and Mrs. Bennett announce the marriage of their daughter, Mrs. Eleanor Bennett to Dr. Alexander E. Wensch on July 12 at Chestertown, Md. Dr and Mrs. Wensch are now at home in Montclair, N. J.

Miss Hazel E. Blair, associate editor of the "Insurance Review," St. Louis, has resigned effective Jan. 6 and will go to New York City to take up insurance publicity work and engage in fiction writing.

Officials, executives and department managers of the Fireman's Fund group attended a luncheon in San Francisco in tribute to H. P. Blanchard, who retired as secretary of those companies Dec. 1. President J. B. Levinson presided and paid tribute to the long service and loyalty which Mr. Blanchard had displayed in his 42 years in fire insurance. Mr. Levinson also presented to Mr. Blanchard a handsome oil painting of the famed Monterey cypress on Point Lobos.

In addition to the home office executives, C. C. Hannah, Boston, manager eastern department; S. M. Buck, Chicago, manager western department, and C. A. Bickerstaff, Atlanta, manager southern department, who were in San Francisco attending an executive conference, were guests.

South Carolina Governor in Tribute to Insurance

NEW YORK, Dec. 9. — Governor I. C. Blackwood of South Carolina, buttressed by its youthful and handsome insurance commissioner, Sam B. King, was introduced to the National Convention of Insurance Commissioners here Tuesday and spoke. Commissioner King escorted his chief to the rostrum and the executive was presented by President Livingston.

It was a matter of general regret that Commissioner Boney of North Carolina did not have his governor at hand so that the historical amenities could be observed between the two states. Governor Blackwood said insurance is not generally understood or appreciated. He is seeking to know what attitude the state should take toward insurance.

He paid a glowing tribute to insurance salesmen, especially because of their spirit of optimism and hope so much to be desired. "I am for the insurance men," the governor said. "We want to be sympathetic in our state and use every endeavor to assist in solving insurance problems."

With Post Offices jammed during the Holiday season - merchants and manufacturers will appreciate the time and trouble saving advantages of our Parcel Post policy. Now is the time to solicit this business.

The AMERICA FORE GROUP of Insurance Companies

THE CONTINENTAL INSURANCE COMPANY FIDELITY-PHENIX FIRE INSURANCE COMPANY NIAGARA FIRE INSURANCE COMPANY
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ERNEST STURM, Chairman of the Board
WADE FETZER, Vice Chairman
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NEW YORK CHICAGO SAN FRANCISCO ATLANTA DALLAS MONTREAL

FIRE INSURANCE NEWS BY STATES

OHIO AND WEST VIRGINIA

Has Report on Ohio Cities

National Fire Protection Association Tells What Is Being Accomplished at Three Points

The National Fire Protection Association says its field men report an efficient arson squad is being created by Chief Granger of the Cleveland fire department. All the 15 city fire wardens have been given police power. The association says that comprehensive plans for improving Cleveland fire protection facilities are now under way.

At Dayton the fire prevention committee of the chamber of commerce is continuing an active program and conditions in the city are reported generally satisfactory.

At Toledo the move to abolish the bureau of fire prevention of the fire department was prevented. Members of the fire prevention committee of the chamber of commerce appeared before the city council in support of the bureau.

Big Arson Plot Thwarted

CLEVELAND, Dec. 9.—Cleveland firemen narrowly averted a possible million dollar fire in the old National Acme building, 7500 Stanton Ave. It appears to be one of the largest arson attempts ever uncovered here. Rows of excelsior were found planted between half upturned barrels of gasoline. Two electric irons were planted in a pile of excelsior to start the conflagration. Doors leading to elevator shafts were left open to provide the draft while the sprinkler system had been shut off. The fire had eaten to within a few inches of one of the gasoline barrels when it was halted by the firemen.

The building, which housed knitting mills, mattress works, furniture manufacturers and others, was owned by the Beth Realty Co. but operated by Melvin L. Straus of Chicago, trustee for the bondholders of the real estate company. It was covered by \$800,000 fire insurance.

At least one board office declined to renew a substantial line on this property some months ago.

May Insure in Mutuals

Trustees of the University of Cincinnati may insure buildings under their control in mutuals, according to a ruling of John D. Ellis, city solicitor of Cincinnati. Before 1912, public boards could not insure public property in mutuals because of the implied liability. This restriction was changed in 1912 by adding to the part of the constitution which prevents public boards from assuming certain liabilities the statement, "Nothing in this section shall be construed to prevent insurance in mutual companies."

Deviations Not Filed

The Central Manufacturers Mutual of Van Wert, O., denies being one of the companies that has filed rate deviation schedules covering public buildings, particularly school buildings in Ohio.

Hendricks Cleveland Speaker

CLEVELAND, Dec. 9.—A. E. Hendricks, manager of the improved risk department of the Monarch Fire, will be the speaker at the Cleveland Board meeting Dec. 16. He will discuss conditions in Cleveland fire protection and will analyze the current competition be-

tween mutuals and stock companies for improved risks.

Special agents of fire companies represented in the board as well as board members and their solicitors are invited to attend.

New Cleveland Agency

CLEVELAND, Dec. 9.—Application for Class 1 membership in the Insurance Board of Cleveland has been made by M. H. Wilson, Jr., and D. S. McBride, who have formed an agency known as Wilson, McBride & Co., with offices in the Hanna building.

Application for board membership has also been made by the Spitz Insurance Agency, which has been in business many years on a non-board basis.

Chapman Speaks on Advertising

COLUMBUS, Dec. 9.—H. V. Chapman, advertising manager Ohio Farmers, spoke to the Blue Goose luncheon here on advertising. "Modern advertising," he said, "is being increasingly used to sell modern insurance, both by

companies and agencies. Advertising can be used to tell about new forms of protection, some of which have been made necessary by modern inventions. Special agents, who are the traveling contact men between insurance companies and local insurance offices, can help the local agents by passing on to them advertising information and material obtained from company advertising departments and from other local offices."

New Ohio Field Club Members

New members of the Ohio Fire Underwriters Association are Ray T. Owens, Western & Southern Fire, Cincinnati, and George R. Mullins, Western Fire of Kansas, Indianapolis.

Four Veteran Agents Dead

Four Ohio agents, long in the business, died last week. Each was over 70. They were W. M. Wickham, Wayne; P. M. Stewart, Yellow Springs; Charles F. McGuire, New Carlisle, and George C. Reese, Edon.

C. A. Rubrecht, 71, vice-president of Harsch, Davies, Rubrecht, architects, and father of H. L. Rubrecht, president of the Fire Prevention Association of Ohio, died at his home in Columbus last week.

CENTRAL WESTERN STATES

Agents' Law to Be Enforced

Superintendent Hanson Announces Illinois Act Will Be in Full Effect March 1

"Despite the absence of an appropriation, we will go ahead and carry out the provisions of the agents' qualification and license act. It will involve a whole lot of hard work for our department, but we believe it will be a fine thing for Illinois insurance."

In these words, Superintendent Hanson announced that the act will be in full force next March 1, despite the fact that the section making an annual appropriation of \$50,000 for administering its provisions, has been held unconstitutional by Attorney General Carlstrom.

The department now is having the necessary forms prepared for the printer and it is expected that these will be ready for mailing during the latter part of January.

Supplemental Opinion

Mr. Hanson's decision to go ahead with the enforcement was reached after receiving a supplemental opinion from the attorney general, holding that it will be lawful for him to use funds otherwise appropriated for his department where such appropriation was made for general purposes and not for a specific object. Receipts from the annual fees of \$2 will make the act more than self-sustaining but, as these fees have to be paid into the state treasury, no part of the collections will be available for use by the department pending further action of the general assembly.

Question of constitutionality arose when it was discovered that there was a sharp conflict between the records of senate and house as to the amount of the appropriation provided by Section 21, but the attorney general has held that the invalidity of this section does not affect the constitutionality of its other provisions.

Mrs. O. P. Davies has taken over the business of the Decker, Davies & Jean agency, Grand Rapids, Mich., formerly operated by her late husband, and will continue it under the same style.

Insurance Interests Involved

Several Bills Before the Illinois Legislature Would Affect the Business

E. M. Ackerman, secretary of the Insurance Federation of Illinois, has compiled a list of the bills before the special session of the Illinois legislature, which, if passed, would increase the present tax levies of the insurance companies or affect insurance companies. His list follows:

Senate bills 48 and 49: Tax on intangible property, provides a .5 percent income tax plus a 50 cents per \$1,000 of property tax upon intangible personal property in lieu of the present general property tax on intangible property.

Senate bill 56: Provides for a 2 percent income tax upon the income of corporations, which would include insurance. It makes the objectionable provision that returns must be made by Jan. 1 for the year next preceding.

House bill 185: Requires each corporation to report to the secretary of state each year a complete list of its stockholders residing in the state together with the number of shares held by each.

Senate bill 61: Tax of 2 cents on each \$100 of the face value or fraction thereof of any stock certificate of which transfer is made.

House bills 66, 67 and 68, give fire, marine and life insurance companies authority to invest in tax anticipation warrants. These bills are opposed by the department on the ground that such securities are not liquid assets.

House bill 188: Stops foreclosure of mortgages, chattel mortgages and trust deeds for two years and declares moratorium on payment of all interest for two years.

Reports on Kalamazoo

Engineers for the National Board report that fair to good quantities of water are available in most important districts of Kalamazoo, Mich., but limited capacity of supply works prevent delivering required quantities with high consumption rate. The fire department is mainly adequate and the fire alarm system mainly satisfactory.

In the principal mercantile district, construction is weak in fire resistive features; many areas are large to excessive

and conflagration breeders are present. Streets are of only moderate width and high winds are infrequent. Serious fires are probable which might involve considerable part of the district.

During the past five years, the fire loss amounted to \$1,065,506 with an average loss per capita of \$4.02, "a moderately high amount."

Myers with Lanphar Agency

DETROIT, Dec. 9.—R. G. Myers, who has been manager of the Detroit branch office of the National Union group, has been appointed agency manager of Melvin F. Lanphar & Co. Mr. Myers has managed the National Union office for the past year and prior to that was special agent in Cleveland for two years. He was special agent for the Milwaukee Mechanics in southern Illinois for two years before joining the National Union.

The Lanphar agency has underwritten a large volume of the Republic Automobile business. It recently doubled its floor space in the Lafayette building.

Criticizes Fire Department

JACKSON, MICH., Dec. 9.—Jackson's fire department personnel should be increased if the city is to maintain its rate classification, O. M. Henn, manager of the Michigan Inspection Bureau, broadly hinted in a letter to the acting city manager, W. R. Cruise.

Agency 50 Years Old

The agency of John C. Rogers, at Rossville, Ind., is 50 years old this year and the half century anniversary was celebrated by his friends, including a number of field men. The Fireman's Fund, Home of New York, National of Hartford, New York Underwriters, Phoenix of Hartford and Westchester are represented in the agency.

Discuss Poll Tax Requirement

INDIANAPOLIS, Dec. 9.—The chief topic of discussion at the meeting of the Indiana Fire Underwriters Association here Monday was the poll tax requirement on insurance agents and others who are licensed by any of the state departments. The cooperation of the insurance department whereby an agent is required to file only one tax receipt was approved. Other details of the new act were discussed.

Ward Leaves Law Firm

Albert Ward has retired from the insurance law firm of Slaymaker, Merrell, Ward & Locke at Indianapolis and three junior partners have been added to the firm, L. B. Moore, H. E. Reynolds and J. V. Donadio. All have been with the firm for several years. The name has been changed to Slaymaker, Merrell & Locke.

Indiana Notes

Diversified Service at South Bend, Ind., has been incorporated to do a general agency business by Bert Minczewski, H. J. Robertson and Julius Taelman.

The offices of the state agency of the **American of Newark** have been moved to 214 Pennway building, Indianapolis, from the Occidental building.

The **Hammond Insurance Agency**, Hammond, Ind., has been incorporated by Oscar Budeman, E. E. Klein and A. C. Riechers.

Joe E. Bales, until recently traveling Indiana as a field man for fire companies, has made a connection with the ordinary life department of the Prudential in Indianapolis.

The **Muncie, Ind., Insurance Board** has been incorporated on a non-profit basis by H. E. Wolf, R. M. Galliher, Everett Moffit, Norman Hiltner and J. W. Kirkpatrick.

LOYALTY GROUP

TRUE OPTIMISM

True Optimism is Faith; Faith in Humanity; Faith in the Nation; Faith in its Institutions; Faith in Yourself; Faith in the Present; and Faith in the Future.

False Optimism is Hope based on Desire.

Pessimism is compounded of lack of Faith in all that True Optimism is founded upon, and is acknowledgment of unbelief in self, too often coupled with the wish to profit through the misfortunes of others.

History, that Just Judge of Humanity, reads the record and inexorably records the verdict.

The Verdict is, always has been, and always will be that True Optimism is justified and its results proven; that False Optimism cannot last because of its unsound foundation; and that Pessimism cannot prevail, but must ever fail because of its inherent untruth and viciousness.

History records that the world progressed, and was in every way better and more prosperous in the year 100 than in the year 1 A. D. History records that the world progressed, and was in every way better and more prosperous in the year 1000 than in the year 100 A. D. History records that the world progressed, and was in every way better and more prosperous in the year 1900 than in the year 1000 A. D. and History will continue to record the progress of the world, and this record will show the year 2000 in every way better and more prosperous than the year 1900 A. D. It is reasonable to believe, and it is wise to believe, and most people do believe that the year 1931 will be in every way better and more prosperous than the year 1930. Voice, therefore, your belief by word and act and aid it to come true in fullest measure.

Almost two thousand years ago a wise teacher and leader of men said:

"Now Faith is the substance of things hoped for, the evidence of things not seen".

Today Faith is as then. Today, as then, True Optimism is Faith. Thinking men must be and are True Optimists. That individuals have suffered misfortunes in the past and many have succumbed, and that individuals will suffer misfortunes in the future and more will succumb, cannot be denied, but such misfortunes, however hard for the individuals, are after all individual misfortunes and will not, in fact cannot stay the world march of progress and prosperity.

Do not be ashamed of your True Optimism, and do not be afraid to express it because you fear some pessimist may ridicule it and tell you that some day he will say "I told you so". Have courage and make known your True Optimism by voice and deed; make known your Faith in Humanity; make known your Faith in your Nation; make known your Faith in the Future; make known your Faith in Yourself; and make known your Faith that the tide has turned and that Prosperity has its hand stretched to knock at the door, and will surely enter if we but heed it, instead of harkening to cowardly fear.

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Newark, New Jersey

CANADIAN DEPARTMENT

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MASSIE & RENWICK, Ltd., Managers

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San Francisco, California

60 Sansome Street

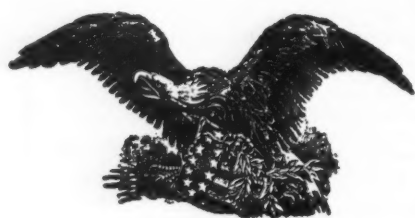
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Baggage—Inland Transportation—Parcel Post
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THE OLD "STATE OF PENN"

STATES OF THE NORTHWEST

Power Company Sued for Loss

Explosion and Fire Attributed to Gas
Leakage Cause Complications
at Beloit

BELOIT, WIS., Dec. 9.—The E. L. Chester Company, department store, has brought suit for \$250,000 against the Wisconsin Power & Light Company seeking damages for the destruction of its building Dec. 5, 1930 as the result of an explosion and fire in the downtown district attributed to leaking gas mains.

Insurance companies are keenly interested in the outcome of the action since there has been difficulty in settlement of claims in the Beloit fire, as the merchants had not been covered by explosion insurance. Settlement of the Chester Company with insurance concerns is still to be made. The department store suffered the largest loss in the fire.

Adjust Oshkosh City Insurance

OSHKOSH, WIS., Dec. 9.—Complete readjustment of the fire insurance carried by this city is being made. The total is about \$1,500,000. Some structures were reported to have had a little excess

insurance and some not quite enough, and adjustments are being made all along the line.

May Designate Insurer

The lender or mortgagee may legally require the mortgagor to renew insurance on the mortgaged property in such companies as the mortgagee may designate, according to a ruling of Attorney General Sharp of South Dakota.

Mr. Sharp also held that a building and loan association may act as an insurance agent in writing property insurance for its members on property securing mortgage loans.

License 66,800 in Wisconsin

MADISON, WIS., Dec. 9.—The Wisconsin department this year has issued 66,800 agents' licenses, including 33,191 for fire insurance, an increase of 2,000 over last year, and 26,994 for casualty, also an increase of 2,000. Life agents' licenses totaled 6,615, but little different from 1930.

There were 2,605 licenses canceled, including 931 fire, 1,178 casualty and 496 life.

The Vasey & Vasey Agency, Menomonee, Wis., has been incorporated by P. L. Vasey, E. H. Vasey and A. L. Quilling.

IN THE MISSOURI VALLEY

Explains Suit on Expirations

Separation Declared Not Main Issue in
Legal Action Brought by Paul
A. Webb

Paul A. Webb, local agent of Neodesha, Kan., who is seeking \$118,000 damages against a number of insurance companies in the United States district court of Kansas, protests that publicity about this action has improperly emphasized the separation angle of the case. The principal charge in his petition is that his rights to expirations were violated.

Mr. Webb relates that in 1924 he relinquished his representation of certain Western Insurance Bureau companies at the request of his Western Union representatives. In 1929 he bought the Woodring McCulloch agency, among whose companies were two Bureau members. He was requested by Union people, according to the petition, to relinquish those companies, but he refused on the ground that they offered desirable facilities in certain directions. Thereafter, he relates, he was advised by the Union representatives that he must place his accounts on a 45-day basis within a month under penalty of suspension. Then later, after making a final demand upon Webb to relinquish the Bureau companies, according to the petition, all of the Union companies canceled out of the agency.

Earl Webb Was Named

Thereafter, each of the Union companies involved, he said, appointed Earl Webb local agent "for the purpose of confusing and disconcerting the clients and patrons of the plaintiff in placing their insurance business in the future." He charges that Earl Webb was provided with the expirations of Paul A. Webb. Furthermore, he complains that the Union companies "maliciously and wilfully canceled policies" which caused Paul Webb much embarrassment and expense.

For damages alleged to have been suffered because the Union companies refused to grant Paul Webb the right to make endorsements, adjust losses and render other service, Webb asks \$3,000. For damages alleged to have been suf-

fered because of companies "maliciously and wilfully converting expirations" Webb asks \$15,000. On top of that he seeks \$100,000 punitive damages.

Compile Data on Payments of Commissions in Kansas

The Kansas Association of Insurance Agents is compiling information as to what action the agents and companies have taken individually in the payment by companies to agents of interest on commissions for that part of the impounded premiums which were returned to Kansas policyholders. In a communication from Wade Patton of Hutchinson, the agents are asked to tell whether they have made claim for interest on impounded commissions; how many companies furnished blanks; whether they attended the regional meetings on the question held last May in Kansas City, Kan., Pittsburg, Salina or Pratt.

"Your committee," Mr. Patton stated, "did not accept the offer of interest made by the company representatives at the last conference in Topeka, although the officials assured the agents' committee they would pay this compromise interest to every agent who would make a claim on forms the company would provide. Inasmuch as some companies have voluntarily paid to all of their agents this interest the officers of your association desire to compile information on this matter."

Fireworks Drive Gets Results

DES MOINES, Dec. 9.—The \$2,000,000 Fourth of July fire at Spencer, Ia., this year has resulted in a statewide campaign for complete elimination of fireworks in the state except under regulations that would protect life and property. The move was led by the Iowa State Fire Prevention Association and has the support of many civic, club and business organizations.

To date 38 cities and towns have passed ordinances prohibiting the sale and use of fireworks inside the city limits except in case of licensed community celebrations. In Des Moines a petition with 2,000 signers has been presented to the city council by John W.

Strohm, state fire marshal, as a member of the Iowa Fire Fighters Association and Safety Council, asking a fire-works ban. The petition asks that such an ordinance be passed to go into effect not later than Jan. 1, 1932.

Halsey Lincoln Speaker

LINCOLN, NEB., Dec. 9.—Maxwell Halsey, traffic engineer of the National Bureau of Casualty & Surety Underwriters, addressed a large gathering of business men and members of various city planning boards Tuesday noon at a luncheon sponsored by the Lincoln Fire, Casualty & Surety Association. These planning committees are working out an extensive permanent arterial system for the city, with the view of promoting public safety, and Mr. Halsey's talk was largely advisory. He told how traffic movement has been controlled in various cities and accidents greatly lessened through the use of arterial systems laid out to meet the special needs of each. Mr. Halsey spent two days in Lincoln.

Blue Goose Charity Plans

KANSAS CITY, MO., Dec. 9.—Through its charity committee, headed by W. G. Shipe of the New Hampshire, the Heart of America Blue Goose will carry out its customary practice of adopting three or four needy Kansas City families this Christmas, furnishing food, clothing, coal and other needs, as well as Christmas gifts.

Revive Lincoln Activities

LINCOLN, NEB., Dec. 9.—At a meeting of the insurance subdivision of the chamber of commerce, Chairman A. B. Olson named a committee of six to prepare a program of activities for the coming year. Members expressed the belief that the importance of Lincoln as an insurance center called for a revival of activities. The possibility that the next legislature will attempt to increase insurance taxes was also urged as reason for reorganization.

Mr. Olson is discussing with Omaha men the question of holding Nebraska Insurance Day early in the spring. The convention was to have been held in Lincoln in October, but various matters combined to prevent.

J. M. Harris Honored

WICHITA, KAN., Dec. 9.—Carl Bailey of Crum & Forster presided at the regular meeting of the Central Kansas Field Men's Club Monday. Most of the meeting was given over to discussion of the stag dinner in honor of J. M. Harris, North America special agent and prominent member of the club for many years, who has resigned to manage the Upsher & Upsher general agency at Oklahoma City. Members of the Kansas Blue Goose joined in the dinner, which was held here last night.

Hook Heads Cat's Meow

KANSAS CITY, MO., Dec. 9.—Ed A. Hook, Universal Automobile, was elected most powerful meow of the Kansas City chapter of the Cat's Meow at its annual meeting. W. S. Hocker, Jr., is recorder of meows; C. E. Ulery, keeper of the catnip; A. E. Haas, outside keeper of the watch, and Bert Keene, inside keeper.

Hoyt S. Nelson, vice-president Phister Company and retiring president of the Cats, was made a director for one year. William Hillman, Aetna Casualty, also was elected director for a one-year term.

Talmage's New Connection

C. O. Talmage, former manager of the Columbia Fire Underwriters of Omaha, and now head of the General States Insurance Corporation of that city, has been appointed superintendent of agencies of the accident and health department of the Fidelity Old Line of Omaha. This is the company of which

Lloyd Dort, former Nebraska commissioner, is president.

A general agency agreement has been made between the Fidelity Old Line and the General States Insurance Corporation. Agents may thus write accident and health in the Fidelity Old Line through the General States Corporation.

Mr. Talmage also advises agents that the facilities of an exclusive hail writing company will be available to the General States Corporation after the first of the year.

Frederick Now Independent

L. E. Frederick, who was recently connected with the National Union at Sioux Falls, S. D., as underwriting manager and supervisor of adjustments in a number of states, has entered the independent adjusting field in Springfield, Mo. He will handle general fire lines for southwest Missouri and eastern Kansas.

Mr. Frederick had been with the National Union since 1929. The states in which he was interested were North and South Dakota, Minnesota, Wisconsin, Iowa, Nebraska, Illinois, Oklahoma and Missouri. Before that, Mr. Frederick was connected with the Niagara's farm and survey departments in Missouri and Kansas for about six years. He adjusted losses for these departments in the two states. His fire connections were with the Hartford and North America in the Texas field.

He is quartered in the Woodruff building, Springfield.

Picnic Movies Shown

WICHITA, KAN., Dec. 9.—The regular luncheon meeting of the Wichita Insurers was devoted to a showing of two reels of moving pictures taken by A. E. Smoll at the annual picnic and outing of the Wichita Board last June. Pictures included scenes of "Dick" Vernon scoring the first run for his side in the baseball game; Roy E. Eblen, president of the Central States Fire, attempting to win the "bull throwing" contest, and Howard Snyder and Duane T. Stover presiding at the lunch and refreshment stand.

Lincoln Protection Improved

The completion of a new municipal building at Lincoln, Neb., has enabled the headquarters of the fire department to be moved from rented quarters. Four fire engines and several cars will be kept there, a large repair room has been provided and a cistern installed for pumper testing. Another room will handle the new fire alarm system that Chief Hansen has been asked to be installed next spring. The present system has but 25 boxes; the proposed one will include 200 boxes.

Phillips in Life Insurance

L. D. Phillips, who is in general insurance at Burlington, Ia., has been appointed general agent for the Continental Assurance of Chicago and is preparing to devote much of his time to producing life insurance.

Cox-Sparlin Life Department

Cox-Sparlin, general insurance agency of Springfield, Mo., which for some time has represented the Continental Casualty, is installing a life department and has been appointed general agent for the Continental Assurance of Chicago.

Missouri Notes

T. L. Brown has purchased the interest of H. L. Spicer in the Brown & Spicer agency, Joplin, Mo.

Jack Sandusky has opened a new local agency at St. Joseph, Mo. Miss Berkhoff, for a number of years with the McDonald agency, will be associated with Mr. Sandusky.

Cliff C. Jones of R. B. Jones & Sons and Morton T. Jones, president of the Kansas City Fire & Marine, left Kansas City Monday night for the east, where they will spend ten days on business.

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Will Wrieghtem
(field Correspondent)

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STATES OF THE SOUTHWEST

Probe Into Dallas Night Losses

Assistant Fire Marshal Assigned to Investigate Fires That Might Come Under Suspicion

DALLAS, TEX., Dec. 9.—Another step toward reducing fire losses has been taken by city officials here. An assistant fire marshal has been named to investigate every fire occurring in the city limits at any hour of the night. The action was taken at the suggestion of Owen George, assistant district attorney in charge of investigation of suspicious fires, who said there are too many suspicious fires occurring at night. The assistant fire marshal will look for evidence of incendiary, will question witnesses and summons them to a public hearing if he is convinced that the blaze is not "open and above board." Fire losses have been materially reduced in Dallas since the district attorney named a man to devote his entire time to fire investigations.

Plan Ardmore Campaign

OKLAHOMA CITY, Dec. 9.—A very aggressive campaign will be launched immediately after the first of the year by companies writing business in Ardmore, to reduce the tremendous fire loss there in recent months. These losses have been largely due to heavy overinsurance.

All companies will be invited to cooperate in the campaign in a united effort to relieve the situation, according to John Wilkinson, state agent for Trezevant & Cochran, chairman of the committee. Other members are T. Ray Phillips, America Fore; Stanley Bruce, Hartford; W. H. McClain, Monarch Fire, and Rex W. Kendall, Northern Assurance.

Plan Oklahoma Inspections

OKLAHOMA CITY, Dec. 9.—At a meeting of the executive committee of the Oklahoma Fire Prevention Association it was decided to conduct about five inspections of important towns in 1932, starting immediately after the first of the year.

Change in Fayetteville Agency

The fire and casualty division of the Russum-Campbell Agency, Fayetteville, Ark., has been purchased by the Security Insurance Agency of that city. The Russum-Campbell Agency was composed of E. W. Campbell, who started the Campbell agency there several years ago, and Victor Russum, who has been in life insurance for many years and was

formerly with THE NATIONAL UNDERWRITER. Mr. Campbell will return to Wetmore, Kan., still in the insurance business, and Mr. Russum will continue in life insurance at Fayetteville. He will also retain an interest in the business sold to the Security Agency.

Hold Hearing at San Antonio

SAN ANTONIO, Dec. 9.—The state insurance commission held a public hearing on applications for agents' licenses here last week. The members of the commission showed a fine spirit in questions concerning what are known as "bad practices."

Agents were given an opportunity to correct errors in license applications which had been filed with the commission. Old agents were given much information in regard to the correct conduct of their business and were given a better understanding of the code of ethics which the agent should observe, while the new agents were given an opportunity to learn more of the business in which they have engaged. There were a number of applicants for licenses present at the hearing.

Murray Threatens Boycott

OKLAHOMA CITY, Dec. 9.—Governor Murray has threatened a boycott as to state insurance against all companies whose local representatives oppose the initiated measures to be presented at an election Dec. 18. While the measures do not deal specifically with insurance, many of the insurance fraternity believe if carried they may be detrimental to general and state business conditions. The governor's threatened boycott would divert all state insurance business to companies whose local representatives do not oppose the issues.

Ancel Earp, Oklahoma City local agent and president of the Oklahoma Association of Insurers, announced his personal stand through a large advertisement in daily papers stating the terms of the prospective boycott and stating that he is one of the threatened agents but that he heartily disapproves the issues.

Fight Loan Affiliations

FORT WORTH, TEX., Dec. 9.—The executive committee of the Fort Worth local board has gone on record as opposing any combination which would prevent the assured from selecting his own agent and carrier. The association says such practices are contrary to the new insurance code, which declares that "it is the intent of this section to preserve to each citizen the

right to choose his own agent or insurance carrier."

The committee in a letter to members declares the matter has been given specific consideration because there are being presented to agents in Fort Worth propositions in regard to representations of companies that have a connection with mortgage loan interests. It was held by the committee that any insurance company that in any way is a party to the enforcement of insurance provisions in loan contracts or deeds of trust contrary to the wishes of the assured, is in violation of the new code.

Building Texas Plant

With the approval of the entry of the Pacific National Fire into Texas, Cravens, Dargan & Co., who were appointed general agents for the company in that state, are beginning the active building of an agency organization for the company.

Arkansas November Loss High

Swelled by fires in cotton gins and warehouses, the Arkansas fire loss in November amounted to \$752,760, including \$212,000 loss on the Federal Compress & Warehouse Co. at Searcy

and the East St. Louis Cotton Oil Mill Co. at Forrest City. Incendiaryism was suspected in eight of the 126 fires. The loss was the highest since January.

Seek Action on Worthless Bond

OKLAHOMA CITY, Dec. 9.—Mott Keys, secretary of the Oklahoma Association of Insurers, has been authorized by the association to prosecute all persons actively connected with the posting of a \$200,000 alleged worthless bond with the city for a drilling permit. The bond was filed for drilling a C. C. Julian Oil & Royalties Company well within the city limits. Court action is to be requested as soon as possible.

Gets National Security in Texas

O. H. Rammert of Houston has been named general agent for Texas for the National Security Fire of Omaha.

Norman Is Rerated

Because of improvements in water and fire fighting facilities, Norman, Okla., has been rerated and changed from seventh to sixth class, according to C. T. Ingalls, manager of the Oklahoma Inspection Bureau.

IN THE SOUTHERN STATES

Mobile to Get 1932 Meeting

Executive Committee of Alabama Association Also Decides to Launch Membership Drive

MONTGOMERY, ALA., Dec. 9.—Decision to conduct a vigorous membership campaign and to hold the 1932 convention in Mobile, probably the second week in May, was made at the meeting of the executive committee of the Alabama Association of Insurance Agents here Friday. Superintendent Greer was a guest and speaker. He praised the association's work and said he would like to see every fire and casualty agent a member. The slogan of the membership drive is "400 members before February 4." A committee of 100 has been designated to aid officers in reaching this goal.

The executive committee reaffirmed the stand of the association against the non-recording agent. A committee of ten will be appointed to take up the matter with three or more companies which are offending in this respect. The committee declared there is no place in the state so remote but a policy-writing agent is available. The committee also proposes to work for an automatic cancellation clause.

Seventeen officers and committee

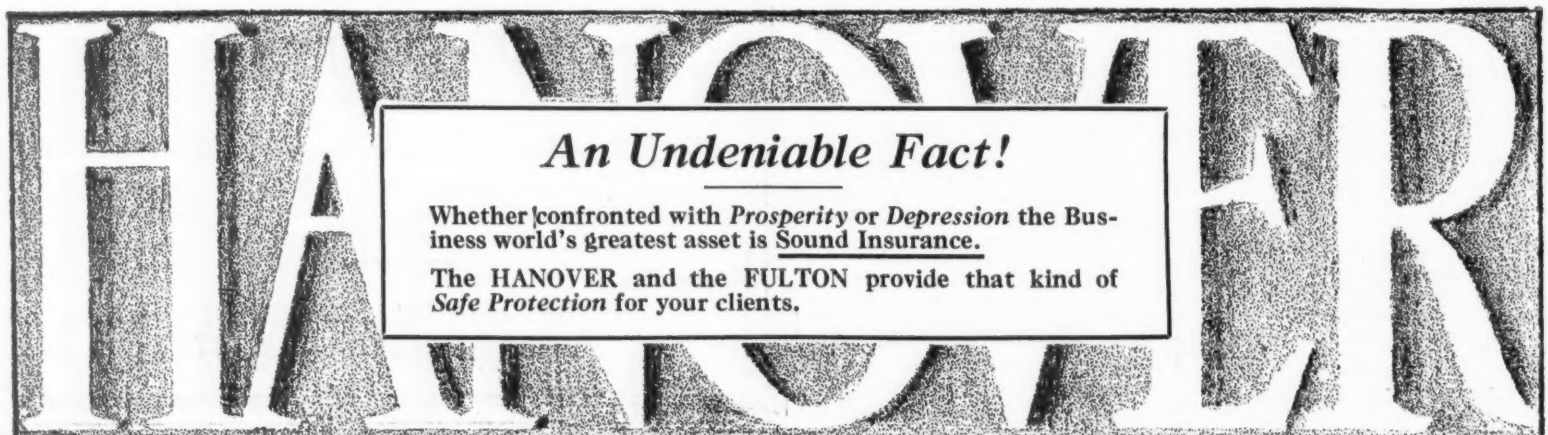
members attended the session including President Arthur Mead, Vice-president C. S. Boswell, Sylvan Baum, chairman of the executive committee, and Peyton A. Eubank, chairman of the grievance committee. Charles L. Gandy, chairman of the executive committee of the National association and former president of the state association, was present and pledged his assistance in the membership campaign.

Resolutions commending the National Union for its return to association standards were passed. President Mead was reelected national councillor from Alabama. The committee sent a letter of condolence to Mrs. S. L. Crook of Anniston, Ala., on the death of her husband, a former president of the association.

Worried Over Tobacco Prices

Field Men Asked to Report on Riot Threats Over Low Kentucky Crop Bids

NEW YORK, Dec. 9.—Fire company officials here have instructed their Kentucky field men to watch developments in the tobacco situation closely and to report on whether the antagonism of many planters toward the sale of their product at prices bid at recent auctions,



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at Owensboro, Henderson and other tobacco sales centers, is likely to spread. Values in the warehouses run into high figures and the coverage of the fire companies is in keeping, hence the natural anxiety felt by officials over the reports of threatened rioting by irate planters, who assert that the prices offered for their crops will not pay for the raising.

While the great bulk of insurance on tobacco warehouses is controlled by Louisville agents a large percentage is still handled by brokerage houses of this and other cities. Some companies not writing the business directly are reinsurers and they too are worried over the stories of threatened rioting recently reported in the daily press. The reputed situation in Kentucky recalls the troubles experienced in the tobacco districts of Porto Rico some weeks ago when the planters, who sold their crops at the prices offered by associated buyers, had their properties burned and their fields harried by night riders, insurance companies being called upon to pay a number of rather stiff losses in consequence.

DEMAND FOR RIOT COVER

LOUISVILLE, Dec. 9.—A demand has developed for riot coverage on tobacco factories and warehouses in the dark tobacco country of Owensboro and Henderson, Ky.

Growers in those regions have been more or less rebellious because of the price which is being offered for their products. As compared with the price of about 8 cents a pound last year, 4 cents today is being offered for dark tobacco. Although there have been no violent demonstrations, there is an undercurrent of discontent and tobacco handlers are nervous. Accordingly, the trade in riot insurance is brisk. Insurance companies, apparently, are less apprehensive than the handlers, for the business is being freely placed.

File Commission Rates

BATON ROUGE, LA., Dec. 9.—Practically all companies operating in

Louisiana have indicated by filings with the Louisiana insurance commission that they will continue to pay 20 percent flat commission on fire insurance and 25 percent flat on automobile, only four companies deviating from that scale: the Merchants Fire of New York, 20 percent and 25 percent, fire; Great Lakes 25 percent flat, fire and tornado; Public of New Jersey, 20 percent, plus 10 percent contingent; Buffalo, 20 percent ordinary, and 25 percent on preferred protected, fire and tornado, with 10 percent contingent.

Start Jackson Inspections

JACKSON, MISS., Dec. 9.—At the instance of the chamber of commerce the city building department is inspecting every building in the city for defective wiring, plumbing, fire hazards and dangers which might exist. The inspection is free and residents are gladly cooperating.

This fire prevention precaution is being taken following a series of the schools for firemen held in nine Mississippi towns, sponsored by the state educational department and the Mississippi Rating Bureau. A total of 237 firemen were reached by the schools, the purposes of which were to improve fire department operation, especially with respect to salvage work, overhauling at fires and fire department inspection work, and by means of publicity to interest the public in fire prevention.

Opens Local Agency

J. S. MacEachern, who recently resigned as special agent for the St. Paul F. & M. in North Carolina, has opened a local agency at Raleigh, N. C.

Kentucky Notes

Ralph Garnett and Edward Hill, Campbellsville, Ky., have purchased the M. W. Tucker agency of that city.

The Underwriters Service Co., Louisville, has been incorporated by Ernest B. Williams, Luessie K. Buckel and E. K. Gleason. Mr. Williams is with the Liberty Fire.

ON THE PACIFIC COAST

Continue Farm Conferences

Pacific Board Committee Meeting with Southern California Agents at Los Angeles

LOS ANGELES, Dec. 9.—With Eugene Battles as chairman, southern California agents are meeting here this week on the proposed changes in the rules and rates for farm business. John C. Dornin, Springfield Fire & Marine, chairman of the farm committee of the Pacific Board, is presiding.

Mr. Dornin told the agents, representing the Los Angeles Fire Insurance Exchange and members of the California Association of Insurance Agents from other sections, of the progress recently made between the board and northern California agents on the same subject. According to report following a meeting of agents in San Francisco, the northern agents agreed to the use of the three-fourths value clause in farm policies. It is understood that rates will be but slightly readjusted.

Another committee representing the board companies will also meet with local agents here on the changed rules and rates governing the writing of earthquake insurance in San Francisco. The Los Angeles agents have requested that a similar arrangement be approved for this city. There is some opposition to the proposal.

Big Blue Goose Dinner

SEATTLE, Dec. 9.—The annual no-host dinner sponsored by the Washington Blue Goose will be held here Dec. 21. It is expected that 300 people from the various branches of the business in and near Seattle will attend.

Announce F. U. A. P. Speakers

George W. Lilly and Other Headliners on Program for Annual Meeting in February

Except for a prominent eastern executive who is being sought as the featured banquet speaker, the program for the annual meeting of the First Underwriters Association of the Pacific, Feb. 2 and 3 at San Francisco, is completed. H. B. Speer, special agent for the Atlas, and president of the association, is responsible for lining up the speakers.

The speakers will be Grant Bulkley, resident secretary at San Francisco for the Springfield F. & M.; Joy Lichtenstein, Pacific Coast manager for the Hartford; Blake Darling, Travelers; George W. Lilly, general manager Fire Companies Adjustment Bureau; J. L. Noble, manager British Columbia Insurance Underwriters Association; D. A. McKinley, special agent at Seattle for the Royal; F. S. Glover, special agent at Portland for the National of Hartford; C. D. Wentworth, special agent at Spokane for the Aetna; P. S. Charles, local agent at Ketchikan, Alaska; W. C. Sweetman, Los Angeles broker; Richard Orlob, state agent for the Atlas at Los Angeles, and W. H. Maloy, special agent at Seattle for the Phoenix and Great American.

Discuss Amalgamation Plans

SAN FRANCISCO, Dec. 9.—Plans for the amalgamation of the offices of Clifford Conly, manager of the Great American and Phoenix of Hartford, and Harry L. Simpson, manager of the Connecticut Fire, into one office, with Mr.

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A & H REVIEW

Conly as manager and Mr. Simpson as associate manager, were discussed at a three-day conference of field men and executives of the two organizations in San Francisco last week. Thirty-eight field men and executives were in attendance.

The business outlook, according to the field representatives who came from all parts of the Pacific Coast territory, is encouraging and the outlook comparatively bright. The wheat situation has materially helped conditions both in the Pacific northwest and the Sacramento valley and it is expected a general favorable reaction will be felt shortly after the end of the year.

Create Conference Committee

SAN FRANCISCO, Dec. 9.—An arrangement has been completed between the Insurance Brokers Exchange of San Francisco and the Pacific Board for a conference committee which will meet periodically to discuss matters of interest to the companies, the brokers and the insuring public of San Francisco.

The board is represented on this committee by McClure Kelly, president; Harry L. Simpson, vice-president, and A. T. Bailey, chairman of the executive committee. Representing the brokers' organization are Charles H. Turner, president of the exchange; Martin F. O'Brien and W. F. Hougaard.

Liability Claims East Bay Topic

At the monthly luncheon meeting of the East Bay Insurance Exchange at Oakland, Cal., Dec. 14, Clark Applebaum, insurance attorney, will discuss "Liability Claims from an Attorney's Viewpoint." Edgar Bennett, president of the exchange, will have charge of the meeting.

Ford Heads Field Club

T. E. Ford was elected president of the Inter-Mountain Field Club at a meeting in Salt Lake City. The vice-president is G. P. Mang, and secretary, L. L. Dibble. Following the field club meeting, the annual banquet and initiation of the Idaho pond of the Blue Goose was held.

Revise Idaho Rates

BOISE, IDA., Dec. 9.—Tariff rules in Idaho were subjected to numerous minor changes as result of approval of suggested changes voted by the Idaho advisory committee. The general tendency of the revisions is to bring the regulations in Idaho more in line with the tariff rules of the Pacific Board. Rate books of various towns are being reprinted and brought up to date.

Arizona Club Promoted

Promotion of a fire and casualty club in Arizona for resident officers, managers, general agents, state and special

agents, is under way. Membership would be limited to representatives of companies which are members of the Pacific Board or the National Bureau of Casualty & Surety Underwriters. Special membership would be open to employees, associates or assistants of active members or non-resident special agents.

Two of the men most active in promoting the organization, the constitution and by-laws of which has been drawn up, are John R. Long, special agent for the Liverpool & London & Globe, and Harry Frank, assistant manager for the Southwestern Fire.

Colridge Returns from Tour

Frank Colridge, executive secretary of the California Association of Insurance Agents, returned to headquarters offices in Oakland, Cal., on Dec. 7, following a ten days' trip through southern California, where he conferred with local board officials. On his way back from the south, he stopped at Fresno, Bakersfield, Merced, Stockton and Tracy. His conferences were principally in regard to regional meetings, which are to be held throughout the state shortly after the first of the year. The present plan is to have Eugene Battles, past president of the association, conduct these meetings in the southern part of the state, while President Percy S. W. Ramsden and Mr. Colridge will handle those in the central and northern portion.

Brown Addresses Women

A. M. Brown, Jr., of the Edward Brown & Sons general agency, will speak on "Fire Insurance" at the first business session of the recently organized East Bay Association of Insurance Women in Oakland Dec. 14.

This association, which is still in its formative state, is composed of women actively engaged in the insurance business and already has more than 70 members. Miss Marion F. Airey is president.

Barr Blue Goose Speaker

William T. Barr, recently appointed manager of the automobile department of Crum & Forster, who just prior to his appointment spent considerable time in Europe and the British Isles on a vacation, spoke at the San Francisco Blue Goose luncheon Dec. 7 on "Six Weeks in Great Britain."

Hold Round Table Discussion

An open discussion and exchange of ideas on various phases of company office work featured the 11th meeting in the fall series conducted by the Fire Underwriters Association of the Pacific for its associate members in San Francisco Dec. 8. J. I. Thomas, chairman of the educational committee of the association, acted as chairman.

charged with violating the Colorado insurance laws.

An opinion of the attorney general in 1929 indicated that the so-called membership certificate of the detective agency was in fact an insurance policy but Commissioner Cochrane declined to take action, contending he had no authority.

Mountain Loss Ratios Jump

DENVER, Dec. 9.—With disastrous blazes multiplying in the mountain field since the beginning of the recent cold snap the question of loss ratios has leaped to the center of the stage.

Losses totaling hundreds of thousands of dollars have occurred in recent weeks in Wyoming and Colorado, hitting garages, dude ranches, mining properties and mercantile stocks with a vengeance, and some insurance leaders of the mountain field have become, for the moment at least, shippers of salvage stocks.

Return to Manual Rates

DENVER, Dec. 9.—All local finance accounts in the mountain field are to be returned forthwith to the manual rates and standard local agency commissions under a mandate of the supervisory committee of the Rocky Mountain Fire Underwriters Association.

May Enter Colorado

DENVER, Dec. 9.—R. J. Moyle and E. H. Bonstin of San Francisco, officials of the Pacific National Fire, were in Denver last week meeting local leaders and looking over the field with a view of entering their company in Colorado. They came from Texas, where the Pacific National has just been licensed.

To Help Establish Bureau

W. E. Hill, assistant manager of the Fire Companies Adjustment Bureau, arrived in Denver Monday to assist in the establishment of the mountain department of the bureau. Charles F. Wilson, who will be supervising executive, and George Webster, chosen as manager, will cooperate with Mr. Hill.

Adopt State Constitution

DENVER, Dec. 9.—A constitution for the new Colorado Association of Insurance Agents has been approved by the executive committees of the Denver, Colorado Springs and Pueblo boards, who attended a recent meeting at Colorado Springs for that purpose. The Denver board was represented by Frank England, Herbert Fairall and Max Schayer.

The new constitution does not call on the statewide membership to participate in the solution of local problems, according to Mr. England. A proposal which would have dragged the board of one city into the local disputes of another, was defeated, he said.

IN THE MOUNTAIN FIELD

Cannot Sign Blank Policies

Scheme for Evasion of Resident Agent Law Is Denounced by Commissioner Thulemeyer

Commissioner Thulemeyer has ruled that the practice of having Wyoming agents sign blank policy forms for later use in writing policies in order to evade the resident agent law is prohibited. A blank form, he said, is not an insurance contract within the meaning of the law until it has been negotiated and requires only the signature of the agent to render it valid.

Insurance cannot be finally consummated, he declared, until the policy has been sent to the duly licensed agent for final issuance including signature and entered by that agent upon his policy

register so that the state may be protected in its tax upon premiums.

Mr. Thulemeyer pointed out that the Wyoming act makes it unlawful for a company to have written any policy covering Wyoming risks except through a duly authorized licensed agent of that company residing and doing business in Wyoming. A fine of \$500 and revocation of license is the penalty.

Loyalty Pledge Adopted

DENVER, Dec. 9.—The Denver Association of Insurance Agents has adopted the regular loyalty pledge of the National Association of Insurance Agents.

The Denver association has appointed a committee, headed by A. P. Miller of the Miller-West Agency, to investigate the operations of the Holland National Detective Agency, which has been

Eastern States Activities

Surveys N. J. Fire Protection

Cost Has Been Increased; Efficiency Reduced—Multiplication of Political Subdivisions Blamed

Increasing the cost of fire protection in New Jersey has lessened its efficiency, the New Jersey Tax Survey Commission has reported. Multiplication of small municipal jurisdictions was blamed, Hudson county, for instance, although smaller in area, population and assessed values, than Cleveland, St. Louis, Baltimore, or Pittsburgh, spent more for fire protection in 1928 under its divided municipal government than any of these cities. A single fire de-

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partment for the county was recommended. Taxpayers could be saved \$1,-624,000 by this move, without impairing efficiency.

The survey declared that too much reliance has been placed on man-power and equipment and too little upon water supply, adequate alarm system, standardized control of building construction and fire hazards.

Adoption of a state-wide standard building code was recommended as well as better training of firemen, adequate attention to solution of the technical problems of fire prevention, a state supervised study of fire protection and prevention in rural areas, a fire prevention commission of state and local officials headed by a technically trained fire prevention engineer with power to make and enforce regulations and hear appeals.

Set 1932 Meeting Dates

The 1932 annual meeting of the New York State Association of Local Agents, which will be its 50th anniversary, is to be held in Syracuse May 23-25.

Made Insurance Chairman

JERSEY CITY, Dec. 9.—Harvey B. Nelson, Jr., son of Harvey B. Nelson, president of the New Jersey Association of Underwriters, has been made chairman of the committee on insurance of the Jersey City chamber of commerce.

Pittsburgh Insurance Club Elects

The Insurance Club of Pittsburgh at its annual meeting elected Paul C. McKnight, president; E. E. Cole, Jr., and J. J. O'Donnell, vice-presidents; H. S. Bepler, secretary-treasurer. New directors are R. H. Alexander, J. W. Arrott, Jr., H. L. Johnson, W. H. Kensing, G. W. Maddox and E. W. Murphy; members of president's advisory committee, Francis S. Guthrie, Albert E. McCloskey, John C. McCarthy, Charles A. Reid and Charles H. Bokman.

Insurance Day at Pottsville

T. J. Mohan, field manager Eureka-Maryland Assurance; F. P. Martin and W. J. Horner, both of Philadelphia, were scheduled as the principal speakers for the Schuylkill County Insurance

Day at Pottsville, Pa., Dec. 10, under the auspices of the Insurance Federation of Pennsylvania, with H. W. Teamer, secretary-manager of the Pennsylvania federation, as toastmaster, and H. R. Teitrick, chief of the brokers division of the Pennsylvania department, Harrisburg, as honor guest.

Philadelphia Office Moved

The Philadelphia office of the Pennsylvania Casualty and Associated Fire of Lancaster, Pa., which had temporary quarters in the Stephen Girard building, has moved to 220 South Fourth street. This is a branch and executive office under E. W. Cook, general manager of the two companies.

Philadelphia Directory Out

The 1932 edition of the Philadelphia insurance telephone directory has just been issued by THE NATIONAL UNDERWRITER. This book contains a complete list of companies and agencies of all classes in Philadelphia, with their addresses and telephone numbers. Copies of this directory can be obtained from either the Chicago office of THE NATIONAL UNDERWRITER or its Philadelphia office, 412 Land Title building, phone Rittenhouse 3654.

Glens Falls Branch Moved

The Baltimore office of the Glens Falls group has been moved to 1141 Baltimore Trust building. The change was necessitated because of growing business of the Glens Falls group in Baltimore, Maryland, District of Columbia and Delaware.

Eastern Notes

Laurence E. Falls, vice-president of the American of Newark, spoke at a luncheon meeting of the Rotary Club of Maplewood, N. J., on the "Structure and Province of Fire Insurance."

Wright, Cherry & Coleman is the style of a new agency at 15 Washington street, Newark. S. G. Wright was formerly a member of the firm of Howie, Jarvis & Wright. R. N. Cherry formerly conducted an agency in New York City specializing in New Jersey business. Mrs. Margaret Coleman has been with Mr. Cherry for a number of years, as secretary and assistant treasurer of the Cherry Agency.

MOTOR INSURANCE NEWS

Universal Merger Is O.K.'d

Texas Department Approves Consolidation of Universal Casualty and Universal Automobile, Dallas

Consolidation of the Universal Automobile and Universal Casualty of Dallas under the title of the Universal Automobile has been approved by the Texas department.

The charter of the Universal Automobile has been amended so that it can write general casualty lines and capital has been increased from \$550,000 to \$750,000.

Stock Arrangement

The Universal Automobile takes over all the assets and assumes all the liability of the Universal Casualty and will issue stock in the Universal Automobile to the shareholders of the Universal Casualty in the proportion of two shares of Universal Automobile for each three shares of Universal Casualty.

Exposing Auto Theft Ring

Michigan authorities are concerned over the activities of what appears to be a ring of automobile thieves and plans are being worked out whereby the state would receive quicker information as to stolen cars. A group is reported to have paid \$100 each for stolen cars de-

livered to a farm near Coleman, Mich., where the engine numbers were removed and the cars then sold. According to Herman McConnell, head of the title division of the department of state, an automobile dealer is now under a \$10,000 bond after being arrested by federal authorities for conspiracy. Sixty-seven cars are reported to have been recovered in recent weeks. Mr. McConnell has been in conference with George Black, chief investigator of the department of state, and representatives of the Detroit police department.

Warning on Auto Associations

OKLAHOMA CITY, Dec. 9.—Commissioner Read has issued warning against confusing automobile association memberships with automobile insurance. He indicates that agents have been representing membership as insurance policies and have made sales on that basis. He points to a specific case in which an agent, representing himself to be representative of a California automobile association, agreed to erect a garage and install tools for the purchaser and sold him a membership instead of insurance. The agent has now disappeared.

The commissioner urges all purchasers to examine carefully all propositions offered, warning that associations offering to tow in cars, furnish attorneys and other services do not actually write insurance.

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The National Underwriter

December 10, 1931

CASUALTY AND SURETY SECTION

Page Twenty-nine

Liability Problem Is a Major Worry

**Rate Increases Are Decided
Upon with Great
Reluctance**

NO LOSS PEAK IN SIGHT

**Constantly Crescendo Curve Shows No
Tendency to Flatten Out—Can't
Apprehend Final Level**

NEW YORK, Dec. 9.—With but few exceptions casualty companies writing any considerable volume of automobile liability report that the loss experience thus far in 1931 discloses an increase. Executives had hoped that the peak of automobile loss claims had been reached last year and that the succeeding 12 months would reveal distinct improvement in such direction.

The irritation caused assureds by increasing rates is appreciated and advances are determined upon only when the loss cost discloses their necessity. Constant study of the automobile business is made by companies individually and collectively through the automobile division of the National Bureau of Casualty & Surety Underwriters, with a view to determining how the loss experience may be improved.

Accident Repeaters

A recent survey developed the fact that motorists who had been involved in one accident are far more likely to experience others than is the average driver. So far from making a motorist who had suffered an accident more cautious in the future, statistics reveal that in the course of a few years he is more than likely to be in further collisions. The theory is that the large percentage of road accidents result from reckless driving, and the irresponsible person instead of learning caution from his initial crash is more than likely to repeat and for the same reason.

Aside from the reckless driver, the most prolific source of automobile accidents is believed to be the high power engines now installed in the cheaper cars, as well as in those of the more expensive type. The light weight cars with abundant horse power are able to make a quick getaway, in the progress of which they often strike other machines and with serious result. The combination of reckless driver, high powered car and well built roadways invites to speeding, and when crashes occur, as they often do, the damage is far more severe today than ever before.

Year Round Use

Another reason for greater loss frequency is that cars are used virtually the year round, instead of being laid up during the winter months. Improved roadways, promptly cleared of snow as a rule even in the rural sections, prompts almost constant use of the car. Family

Rate Increases in Nearly All Lines Are Necessary

Rate increases on practically all casualty coverages appear to men in the field to be necessary as a result of the heavy losses that have been experienced this year. High claim ratios are reported on practically all casualty covers, caused largely by the unsettled economic condition, depression, lowering of public morale and unemployment.

The heaviest losses have been in the accident, liability and workmen's compensation lines. Automobile deaths have been an increasingly distressing factor which have stumped the underwriters. In spite of persistent and elaborate safety work carried on by the National Safety Council, assisted by the National Bureau of Casualty & Surety Underwriters, automobile deaths have increased steadily.

It has been found possible to do some fairly effective safety work among fleets, but independent bus and truck operators as usual have "burned up" the companies.

Compensation Is Bad

Compensation as usual is bad, but it has been if anything worse this year than in the past due to lower pay-rolls, with the accompaniment of decreased premiums; unskilled labor which has replaced skilled labor, generally lower plant morale due to the depression, wage cuts, etc.; seriously curtailed safety work which has resulted from economy measures.

It has been the experience of many companies that accident frequency and loss ratios have risen on compensation. In ordinary times workmen's equipment is periodically and thoroughly inspected. At present many unskilled workmen are found careless about wearing protective clothing. There has been a considerable increase in foot injuries, arising from wearing worn out, thinly soled shoes.

Contractors Prove Costly

Perhaps one of the most troublesome lines has been on contractors doing public work. Many contractors who previously had exceptionally fine experience burned the companies up in 1931. Because of competition they have been forced to bid work in at painfully low prices, to drive their men and effect many economies in order to show even a small profit. As a result they have been loath to spend time or money on safety work. They have done much over-time work, resulting in fatigue of personnel, with increase in accident frequency.

Loss ratio on liability has risen some. It is getting heavier on owners', landlords' and tenants' liability, although this is a line least affected.

The companies have been burned up on burglary and holdup. Loss ratios well over 50 percent on burglary are reported, and because of the necessity for more exhaustive inspection and

driving now is largely practiced, increasing materially its mileage exposure and causing divided responsibility for its upkeep.

With increased accident frequency,
(CONTINUED ON PAGE 36)

greater service it is said the loss ratio profitably cannot rise over 45 percent today.

Expenses are much higher because now inspections are called for by underwriters on nearly every risk but residences, and even some of these are inspected.

Holdup men are becoming bolder, perhaps because the depression and unemployment have made them hungrier. One economic trend which perhaps has caused additional holdups this year, is the fact that many small storekeepers have closed out their bank accounts and have been keeping all their money in the old sock or stowed away in tin cans or small safes which burglars or holdups can open almost with a can opener.

Express Company Plan

Another incentive to burglaries and holdups has been the fact that the American Express Company has effected arrangements with many stores, usually larger ones, to sell clients express money orders or checks. This is another result of the many bank failures throughout the country and the lowering of public confidence in banks. Customers bring their pay checks or cash pay to the stores to buy needed articles and take the surplus in the express money orders, which if lost or stolen can be canceled and rewritten without loss to the owner. But the stores are left with much more cash than normally on hand.

Moral Hazard Greater

However, there has been a greatly heightened moral hazard this year as well, which considerably added to the losses. There have been many "phony" losses, it is certain, and there have been many more which were legitimate but involved only small actual loss. The companies' only recourse in such cases is to demand the assured's books to indicate what the average cash in the store or the actual stock on hand might have been.

In case of cash it is difficult to determine, but when a claim comes in for many hundreds of dollars loss in a holdup or burglary and the books fail to show that the assured ever carried more than \$50 or \$75 cash around his store, he is permitted to sue.

Even Beat A. D. T. Service

The companies are at their wits end over burglaries and holdups. Burglars have developed a technique which even in some cases has beat the A. D. T. alarm and two-minute service. Especially in case of dress shops where are hung row upon row of garments worth \$25 to \$100 apiece, burglars now consistently are breaking in and, disregarding the tripping of the A. D. T. alarm, grabbing as many dresses as each arm will hold and rushing out to their car.

They make each haul count by taking along three, four or five men, and single losses consummated within two minutes before A. D. T. officers arrive on the scene, have been as much as \$10,000. Much of the loss has been falling on the mercantile holdup forms and not so much on the merchant's open stock.

Federation Forced to Curtail Work

**"News" May Be Suspended Unless
Unlooked for Support
Is Received**

ALL OFFICERS REELECTED

**Jones Says Executives Association Cannot
Be Counted on for More
Than \$10,000 for Expenses**

NEW YORK, Dec. 9.—Drastic curtailment of the activities of the Insurance Federation of America, including the elimination of the official publication, "Insurance Federation News," is a practical certainty unless considerable support is forthcoming from sources other than the casualty companies which have been bearing virtually the entire expense of maintaining the work of the organization. This was brought out at the annual meeting here Monday.

Harry H. Wadsworth, Syracuse, was reelected president along with the following vice-presidents: James H. Carney, Boston; Arthur E. Childs, Boston; Thomas B. Donaldson, Newark; Wade Fetzer, Chicago; Edson S. Lott, New York; J. B. Levison, San Francisco; Wallace M. Reid, Pittsburgh; O. G. Strong, Cleveland, and George D. Webb, Chicago. John T. Hutchinson was reelected secretary and John W. Morrison, New York, treasurer. There is no change in the advisory committee while the board of trustees will remain the same except for addition of W. M. Goodwin, Bethlehem, Pa., and C. F. Frizzell, Philadelphia, to succeed J. W. Henry, Pittsburgh, and C. F. Shallcross, New York.

Running at a Loss

The "News" has been running at a loss of about \$1,000 a month and if it can't be put on a paying basis immediately it will be discontinued. It has a circulation of about 20,000.

One year ago it was decided to bring the Federation from Detroit to New York and appoint the general manager of the Association of Casualty and Surety Executives a finance committee of one to audit the expenses and vouchers of the Federation, as under these conditions the executives' association had agreed to underwrite the expenses of the federation for 1931 up to \$50,000. Through economies of operation substantial savings were made and it was estimated at Monday's meeting that 1931 expenses would total only slightly over \$40,000.

Will Reduce Expense Allowance

However, F. Robertson Jones, general manager of the executives' association and ex-officio finance committee of the federation, declared at the meeting Monday that he was certain that the
(CONTINUED ON PAGE 36)

New Lloyds Being Formed in Chicago by A. H. Grupe

PLAN \$1,000,000 TRUST FUND

Unusual Plan Being Followed of Offering Public Subscription to Draw 1,000 Underwriters

A new Lloyds is now in process of organization in Chicago, known as Lloyds Underwriters, together with the management concern known as Lloyds Management Corporation. Albert H. Grupe, a man of more than 25 years insurance experience, previously prominently identified with the America Fore group, the Continental companies of Chicago and the Transcontinental of New York, is president and treasurer of the management corporation.

The new Lloyds which it is expected soon will be licensed in Illinois is to have a strong directorate of 11 men, six of whom have been named.

Strong Directorate

These are all prominent Chicagoans, including Lester Armour of the Armour family, capitalist; Mr. Grupe, Stuart Logan, capitalist, with offices with Winthrop, Mitchell & Co., Board of Trade building; E. F. McDonald, Jr., president of the Zenith Radio Corporation and Seneca Securities Corporation, member of the MacMillan Arctic expedition of 1923; Clement Studebaker, Jr., former officer Studebaker Motor Corporation and now president North American Light & Power Co., Illinois Power & Light Corp., Illinois Traction Co., and board chairman Illinois Terminal Co.; and Orville J. Taylor, of Taylor, Miller, Busch & Boyden, general counsel for the Lloyds.

The offices are in 1201 Continental-Illinois Bank building. The officers plan not to start direct writing until there is \$1,000,000 in the trust fund, but in the meanwhile probably will take reinsurance. It is planned to write general casualty lines, probably with automobile as a nucleus, and most, if not all, of the general contracts under the Lloyds of London plan. The trustee is the Chicago Title & Trust Co.

Offer Public Subscription

An unusual plan of building up the list of underwriters is being employed in that it is being opened to public subscription. The intention and hope is to have upwards of 1,000 underwriters, which will increase stability.

Mr. Grupe in 1918 became manager of the automobile and inland marine departments of the America Fore group. He later was vice-president and general manager of H. G. B. Alexander & Co. of Chicago, then organized and successfully established in the field the Transcontinental, an affiliated company.

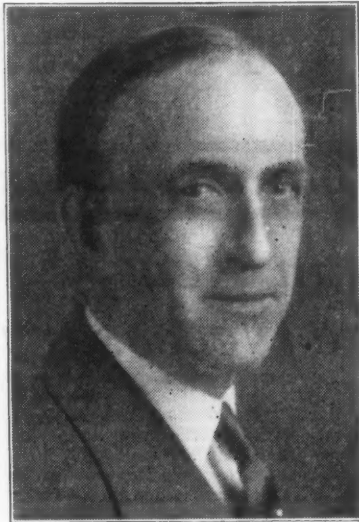
He became president in 1927 of Strom, Carlson & Grupe, which now is acting as attorney-in-fact for London Lloyds. For more than ten years, he has been actively engaged in handling and originating coverages at Lloyds, London. Following a journey to London in 1923, he made an exhaustive study of the plan of operation.

Linus Long, a man of considerable experience, prominently identified with the organization of two other Lloyds in Chicago, is connected with the new Lloyds.

Mr. Long was one of the prime factors in organizing Chicago Lloyds and is a man of great promotional and executive ability. He later withdrew and formed the American Preferred Risk Underwriters of Chicago, which he managed until recently, when he sold his interest.

John S. Moller has become general auditor and E. C. Taylor agency director of M. W. Chittenden & Co., Cincinnati specialists in deferred payment insurance.

Federation Head



HARRY H. WADSWORTH

Harry H. Wadsworth of the firm of Wadsworth & Olmstead, Syracuse, N. Y., president of the Insurance Federation of America, has been in the insurance business there for 26 years and for a number of years has been very active in federation work.

U. S. Casualty to Cease P. L. Writing in Massachusetts

Intolerable underwriting conditions in Massachusetts have prompted the United States Casualty to join the ranks of those that are withdrawing from the automobile liability field in that state. The United States Casualty will not accept liability business after Dec. 31. It is reported to be the 20th company to cease writing since the compulsory automobile insurance law was passed Jan. 1, 1927.

Will Continue Other Lines

Arthur Levy, manager of the claim department of the United States Casualty, states that the company will maintain a Boston office for personal accident and health, burglary and plate glass as heretofore. "We have been weathering the storm of losses and hoping," he said, "with many other companies, that the recent special session of the legislature would do something to mitigate the unfavorable conditions in automobile liability underwriting, but no such action was taken. It is true that the companies were granted an increase in rate, but even this step has been deemed insufficient to warrant our continuing in the automobile liability field there."

REFERENDUM MOVE FAILS

Failure to get the necessary 20,000 signatures required in order to automatically bring the matter of a flat rate referendum before the coming session of the Massachusetts legislature, has apparently caused abandonment of the plan. The project, which was supported by 60 legislators, fell short of the 20,000 goal by 854 signatures. Had the 20,000 names been secured and the legislature turned the petition down, a referendum would have been authorized on the obtaining of 5,000 additional signatures.

WOULD REQUIRE DEPOSIT

Commissioner Brown has recommended to the Massachusetts legislature a law giving the commissioner power to require companies issuing automobile liability policies and bonds to make a deposit with the state treasurer. This would be done to meet the claims against persons insured in companies which may in the future be involved in financial difficulties.

Executive Committee of H. & A. Conference Meets

BIG ATTENDANCE AT SESSION

Spangler Succeeds Faulkner on Committee—Review Quarterly Premium Companies' Agreement

The meeting of the executive committee of the Health & Accident Underwriters Conference in Chicago Friday, as was the case last year, assumed virtually the proportions of a mid-winter meeting of the conference, with more than 60 in attendance at the general meeting, representing 31 companies. As a result of the interest manifested at this time, it is possible that arrangements may be made to hold similar informal conferences of company members in some central western city once or twice a year, in addition to the regular conference meeting and the mid-winter meeting of the executive committee.

Spangler on Executive Committee

At a breakfast session of the committee members, C. E. Spangler of the Woodmen Accident was elected a member of the executive committee to fill the vacancy caused by the death of E. J. Faulkner of that company. Chester W. McNeill, Massachusetts Accident, chairman of the executive committee, presided both at that meeting and at the general session which was open to all representatives of conference companies.

Plans for the annual meeting, to be held at the Edgewater Beach hotel, Chicago, June 7-9, were discussed. It was decided to hold the conference golf tournament Monday, June 6. There will be four business sessions, Tuesday morning, Wednesday morning and afternoon and Thursday morning. Tuesday afternoon will be devoted to entertainment features, open to both golfers and non-golfers. One party will attend the baseball game and buses will be provided to take any who may be interested on a tour including the Adler planetarium, aquarium and world's fair buildings.

Review Quarterly Premium Agreement

The main interest at the meeting Friday centered in the discussion of the tentative agreement recently reached by a number of companies writing quarterly premium business in regard to policy phraseology and underwriting practices, the final details of which had just been completed. No action was taken in regard to it, as the meetings at which this agreement was drawn up were not initiated by the conference, but by individual members. The entire matter was, however, thrown open for discussion by the representatives of any companies that might be interested, in order to get the benefit of the widest range of views on the subject. The provisions contained in the agreement are advisory rather than mandatory, but some of the companies have already started the preparation of policy forms including these provisions, which are to be put in force in the near future. The development of the idea and the procedure followed at the different meetings in the preparation of these provisions were explained in some detail.

What Agreement Provides

The agreement provides for the use of the "accidental means" insuring clause, with the bacterial infection exception clause. In the accidental death clause it is provided that death must occur within 90 days from date of accident. Accident disability must begin within 20 days of date of accident. For partial accident disability, 40 percent indemnity is to be paid for not more than six months.

Health policies not requiring house confinement shall not pay for more than

(CONTINUED ON PAGE 35)

Van Schaick Asks Filing of Surety Cost Regulations

BEHA, TOWNER ARE QUIZZED

Information Solicited Is Similar to That Submitted by Casualty Acquisition Cost Conference

Superintendent Van Schaick of New York has requested James A. Beha to submit a filing of the rules and regulations of the Fidelity & Surety Acquisition Cost Conference with the New York department similar to those recently filed in behalf of the Casualty Acquisition Cost Conference. Mr. Beha is chairman of both conferences. Filing of these rules and regulations has the effect of giving them the sanction of companies and of providing the New York department with a firm basis on which to proceed against violators.

Mr. Van Schaick also asked R. H. Towner, manager of the Towner Rating Bureau for a statement as to the extent to which rules and regulations of the surety cost conference are used in making rates.

The filing is expected to make the Surety Acquisition Cost Conference an auxiliary rating organization under section 140 of the New York insurance laws, which give the superintendent power of visitation, supervision and examination of auxiliary rating organizations.

Those who attended a recent meeting in the local office of the New York department, when the adequacy of rates for certain lines of casualty business was revised, gained the impression that before sanctioning any increases Superintendent Van Schaick will critically scan acquisition expenses and if these exceeded regulation figures, his judgment as to rate changes would be considerably influenced thereby. The same attitude, it is assumed, will be taken by the superintendent in regard to surety and fidelity lines.

Accountants Organizations Hold Meeting in New York

NEW YORK, Dec. 9.—The Insurance Accountants Association and the Association of Casualty & Surety Accountants & Statisticians held a joint meeting here Tuesday to discuss their problems. It was the first time a joint meeting had been held and it was found to be of such value that another similar meeting will be held next year.

The session was preceded by separate meetings of both organizations, at which time the accountants association held its annual meeting, reelecting all present officers. They are: President, Everard Smith, Norwich Union Fire; vice-president, C. L. Henry, Tokio Marine & Fire; second vice-president, C. N. Pederson, Thames & Mersey, Marine; secretary, F. R. Scott, New York Underwriters; treasurer, F. W. Massen, London Assurance.

G. W. Swallow of the New Hampshire and Miles Wash of the Great American were elected to the executive committee to succeed Hugh Thompson of the Queen and D. R. Ackerman of the Great American.

Cab Owners Seek Insurance

BALTIMORE, Dec. 9.—There is a great demand here for liability and property damage insurance and bonds to cover taxicabs which must have insurance protection under the new law which becomes effective Jan. 1. Companies will not write the bulk of it at any premium and are only considering a few select risks at the minimum prescribed premium of \$525 a year for "five-ten-and-five" policies.

Emergency Changes Bring 11 Percent National Increase

W. F. ROEBER MAKES REPORT

Tells Results of Rate Revision—Suggests Advisability of Schedule Rating Abolition

The country-wide compensation rate level has been increased about 11 percent as the result of revisions approved to become effective on or after Jan. 1. This information was contained in the report of W. F. Roeber, general manager, to the National Council on Compensation Insurance in annual session. This does not include increases resulting from amendments to the compensation laws.

When the emergency rate increases were conceived, it was estimated that if approved 100 percent they would result in countrywide increase of 13 percent. At present, increases have been approved resulting in an 11 percent increase; raises which would have meant a 1 percent increase have been disapproved and raises which would have brought an increase of .9 percent are pending.

If the pending emergency revisions are ultimately approved, he pointed out, a further increase of about 1 percent in level will result. A resubmission will be made in connection with the next general rate revision in those states which did not allow the full emergency increases, he said.

Amendments Cause Increase

Mr. Roeber reported that rates have been increased during the year in seven states as the result of amendments to compensation laws with a result that the country-wide rate level has been increased because of that factor one-half of 1 percent. In the computation of pure premiums upon a national basis, which has been delayed and will not be completed until 1932, the experience for each classification by policy year for all states combined will be shown. In the past national pure premiums have been shown for each classification by states for the five policy years.

Mr. Roeber expressed doubt as to the desirability of selecting new national pure premiums as often as every two years, as in only about 20 percent of the states are rates based entirely upon national pure premiums. He suggested that revisions be spaced every three, four or five years.

Mr. Roeber advised giving attention to abolition of schedule rating. He recalled that a subcommittee of the national council has been appointed to study the economic justification of schedule rating. A similar committee of the compensation insurance rating board is studying the same question in New York.

Mr. Roeber said that studies lead to the conclusion that the schedule modification is consistent with the actual risk experience less than 50 percent of the time.

He said that safety engineers should be in a position to sell safety to the assured on the basis of its economic and humanitarian values. He should be free to devote his time to the particular hazards peculiar to the risk without being forced to give undue attention to items included in the schedule rating plan because of fear of competition. It would be better, according to Mr. Roeber, to expend the same effort in a general survey of the major characteristics of all manufacturing, mercantile and contracting risks to ascertain whether the companies were receiving adequate premiums through correct classification and rating of risks.

Eight companies have joined the council and 17 resigned since the last annual meeting. Now it has 104 members, 74 being stock and 18 mutual, four state fund and eight reciprocals.

The governing committee for the new

Massachusetts Auto Claim Situation to Be Reviewed

HITCHCOCK TAKES TESTIMONY

Charge About 80 Lawyers Assisted by Doctors and Ambulance Chasers Defraud Companies

BOSTON, Dec. 9.—The Massachusetts automobile claim situation is to be investigated and William H. Hitchcock has been named special commissioner to take testimony. He will collect evidence on the alleged fraudulent practices of lawyers, doctors, ambulance chasers and claimants charged with having defrauded insurance companies of millions of dollars the last four years. The appointment is a result of a filing of a petition in the supreme judicial court by Frederick W. Mansfield, president of the Massachusetts Fire Association; Morgan T. Ryan, registrar of motor vehicles; Edgar P. Dougherty, deputy insurance commissioner, and representatives of the governor's committee on street and highway safety, Board of Registration of Medicine, Boston Chamber of Commerce and Boston Automobile Club.

Exaggeration of Injuries

It is charged in the petition that investigation shows that about 80 Massachusetts lawyers assisted by physicians, ambulance chasers and claimants received large sums of money by exaggeration of injuries and by fake claims. If it is established at the hearing that crime has been committed evidence will be taken to a grand jury. In the cases where crime is not involved but the violation of ethics is the cases will be presented to the bar association and the Board of Registration of Medicine. William P. Cavanaugh of the National Bureau of Casualty & Surety Underwriters, John A. McArdle, representing non-conference companies, and Lester Marston, acting for the mutuals, carried out the preliminary investigation.

Sets Robber Trap, Fails, Insurance Doesn't Cover

Loss suffered by a bank, which had learned in advance of a robbery plot and set an unsuccessful trap for the robbers is not covered under a burglary policy. This was the decision of the Lewis and Clark county (Montana) court in dismissing the suit of the Harrison State Bank against the United States Fidelity & Guaranty. "Exposure of insured property as a bait to catch robbers," the court declared, "is not a risk covered in insurance policies."

The court held that the insurance contracts were voided by the failure of the bank to inform the company of the robbery plan.

year is made up of the American Mutual, Globe Indemnity, Liberty Mutual, Lumbermens Mutual, Maryland Casualty, Michigan Mutual Liability, Ocean Accident and the Travelers.

The rates committee is composed of Aetna Life, Continental Casualty, Employers Liability, Globe Indemnity, Indemnity of North America, Maryland Casualty, Ocean Accident, Travelers, United States Casualty, United States Fidelity & Guaranty, American Mutual, Casualty Reciprocal Exchange, Employers Mutual of Iowa, Employers Mutual of Wisconsin, Interboro Mutual, Liberty Mutual, Lumbermens Mutual, Michigan Mutual, Utica Mutual and the Hardware Mutual.

The board of appeals consists of Dr. R. S. Keeler, United States Casualty; J. L. Train, Utica Mutual, and C. W. Hobbs, special representative of the National Convention of Insurance Commissioners to the National Council.

Chicago Youth in Jail for Failure to Pay Judgment

Agents who tell judgment-proof motorists that in some states failure to pay a tort judgment can cause the debtor to be jailed, will be interested in the case of Patrick O'Neil, Chicago youth, who is now behind the bars in the Cook county, Ill., jail. Mary Alice Robertson, through her attorney, Joseph H. Hinshaw, of Ekern & Meyers, is paying for O'Neil's board in the county jail at the rate of \$4 a week.

Miss Robertson was injured and her escort was killed when the automobile in which they were riding, driven by O'Neil, crashed into an embankment. Miss Robertson procured a judgment of \$15,000 against O'Neil in the Cook county superior court in 1930. O'Neil was found to have been guilty of wilful and wanton conduct.

In February of this year Miss Robertson filed a creditor's bill against O'Neil and the Fort Dearborn of Chicago, alleging that the Fort Dearborn owed O'Neil under an automobile liability policy.

In March of this year the Fort Dearborn filed an answer in the superior court admitting that it had insured Patrick O'Neil and that it received a notice of the accident and caused Attorney M. O. Tate to enter his appearance for O'Neil.

The Fort Dearborn also answered that there was a dispute between O'Neil and the Fort Dearborn on the question of cooperation under the policy but on March 20, O'Neil executed a release in writing in consideration of \$750 paid by the Fort Dearborn Casualty Insurance Underwriters and the Fort Dearborn. About Nov. 28 O'Neil was arrested on a capias for failure to pay the judgment and is now residing in the county jail. Attorney Tate is seeking the release of O'Neil on bond. A hearing is to be held before the Cook county court Dec. 18 to determine whether O'Neil's conduct resulting in the accident involved malice. If so, it is believed that O'Neil would be remanded to jail.

Inter-City Traffic Safety Contest for 1932 Launched

The National Safety Council has launched an inter-city traffic safety contest for 1932 to stimulate better traffic law observance and enforcement. It will begin Jan. 1 and continue through the year. Every city, town and village in the country is eligible and several hundred will compete for the honor of being called "America's safest city" at the end of the year. Competition will be between municipalities of similar size for lowered traffic death rates through improved law enforcement and public education. Awards will be made early in 1933 for the "safest city" in each group, for the best in all groups, and for the states making the best aggregate record.

While lowered death rates over the previous year's experience will be the chief measuring stick, the other factors will receive consideration in the scoring. The United States census bureau has agreed to assist in making final computations. Cities will be divided into groups according to population as follows: Over 500,000; 250,000 to 500,000; 100,000 to 250,000; 50,000 to 100,000; 25,000 to 50,000; under 25,000. There will be no set rules which cities must follow in carrying out their safety campaigns. Local initiative will be the sole guide.

Newark Claim Meeting

NEWARK, Dec. 9.—The New Jersey Casualty & Utilities Claim Men's Protective Association will hold its next meeting Jan. 15. The annual meeting will be held in March.

Use of Coroners' Verdicts in Accident Cases Debated

FRANK REVIEWS SITUATION

Question of Admissibility and Introduction to Prove Suicide Taken Up Before Life Counsel

Admission or exclusion of certain documentary evidence in case of suicide or suspected suicide, plays an important role in determining the liability of the insurer, J. D. Frank, assistant general counsel Lincoln National Life, Fort Wayne, Ind., told the Association of Life Insurance Counsel in its New York meeting.

He said under the suicide and double indemnity clauses in life contracts the manner in which the assured met death is a question of importance which too often is difficult of solution. Under the double indemnity clause the burden of proof is on beneficiary to establish that assured met death in a manner which makes the insurer liable for payment of the additional amount provided for in the contract. There is, however, a presumption against suicide and the burden of proof is on the insurer to establish the fact of suicide when it is invoked as a defense.

Decisions Not Harmonious

Mr. Frank discussed "The Admissibility of Coroner Verdicts." He said decisions are not at all harmonious on the question; that generally a coroner's inquest is hastily and informally conducted, little if any attention being paid to rules of evidence. Facts essential to a proper verdict are not always presented and in many instances are suppressed.

The weight of authority in American courts is that as independent evidence a coroner's verdict is not admissible to prove the cause of death, which Mr. Frank considers a wise ruling. With very few exceptions courts are unanimous on the proposition that whenever a beneficiary attaches coroner verdicts to proofs submitted to the insurer and they disclose suicide, these verdicts are admissible as admissions against interest.

Usually Exclude Evidence

However, courts generally exclude the evidence from which such verdicts were rendered, largely because the parties litigating were not parties to the hearings before the court and had no opportunity to cross-examine witness or inquire into accuracy of testimony.

An insurance company may require coroner's verdicts to be furnished as a part of the proof if so provided in the contract, but Mr. Frank believes it is doubtful that such a requirement would prove of real and lasting value. One danger he sees is that courts might hold such verdicts admissible against, as well as for, the insurer, permitting beneficiary to make out a prima facie case of accidental death by introduction of the proof, thereby shifting the burden to insurer to show it is not accidental. If so, such verdicts would become weapons against the company.

Become Self-Insurers

MINNEAPOLIS, Dec. 9.—Mutuals and cut rate stock companies are not getting any more business because of the 45 percent increase in automobile liability and property damage rates in Duluth. Agents protested the increase last fall and claimed that their business was going to non-bureau companies, but an investigation shows the majority of the assureds have become self-insurers or are taking out insurance in other companies, instead of placing business with mutuals.

The annual dinner and Christmas party of the Casualty Surety Club of New York will be held the evening of Dec. 17.

Court Decision May Solve Michigan Deposit Problem

PUBLIC FUNDS HELD TRUST

Safeguard Thus Imposed Is Expected to Allow Writing of Bonds for Treasurers Collecting Taxes

LANSING, MICH., Dec. 9.—A probable early solution of the problem of bonding city, village, and township treasurers during the current tax collection season was seen today as the result of an opinion of the state supreme court that public funds deposited in banks constitute preferential claims against the institutions in event of their closing. A test case was rushed to a decision through the intervention of the attorney-general. The case was that of Rudolph A. Reichert, state banking commissioner vs. United Savings Bank of Tecumseh, now closed. It involved the funds of five school districts placed in the bank without bond and therefore, the court held, illegally deposited.

Deposits Held Trust Fund

The opinion held that the school district deposits constituted a trust fund in the hands of the bank and that they must be considered with other preferential claims. It is not held that such deposits must be given preference over all other deposits, however. In case of insolvency, where all trusts combined exceeded the amount of cash, it is considered probable that the amounts recoverable would be prorated among the preferred claimants. The opinion states definitely that title to public funds illegally deposited without depository bond does not pass to the bank and that the moneys are therefore a trust account.

May Enable Writing of Bonds

The opinion, according to Attorney-General Voorhies, is expected to convince surety companies that public funds are reasonably protected and they will therefore be willing to write performance bonds for the city, village and township treasurers who collect state and county taxes and are considered responsible under the law for turning them over to treasurers of the political subdivisions for whom they have acted.

O. B. Fuller, auditor general, said today that over half of the treasurers involved have already filed surety or personal bonds to comply with the law and are starting tax collections.

Consider Brokers' Request

NEW YORK, Dec. 9.—The request of New York City brokers that certain standard provisions be incorporated in automobile liability, general liability and workmen's compensation policies was considered at divisional meetings of the National Bureau of Casualty & Surety Underwriters, and will be further reviewed at later meetings. The changes asked for deal particularly with the designation of the time when contracts expire, and the proposal that the terms "declaration, representation or warranty" be uniformly used by all companies.

Casualty and Marine Men Hold Another Conference

NEW YORK, Dec. 9.—A further conference between representatives of casualty companies and marine offices was held here yesterday with the objective of ironing out differences on overlapping coverages between the two classes of carriers, but without final result. Discussions will be resumed based upon 18 months' completed experience.

The images of men's wits and knowledge remains in books, exempted from the wrong of time and capable of perpetual renovation.—Bacon.

FIRE COMPANIES FACE BIG PROBLEMS

(CONTINUED FROM PAGE 3)

being lopped off that under ordinary circumstances would not even be noticed. Naturally, an official in his desire to economize may endanger his machinery by cutting down too far, and thus affect its efficiency. However, there have grown up certain expenses that can be well trimmed. At least the situation has afforded higher officials an opportunity and given them an excuse to delve into expense items and question the justification of a number.

Expense Ratio Has Increased

With reduced income the expense ratio naturally has risen. Undoubtedly, there have been a number of expenses incurred that were allowed to continue in days of prosperity that could well be reduced or cut out entirely. Some companies have already found it best to reduce salaries. Others are still continuing the same salary scale but more undoubtedly will be forced to make cuts, although it can be said truthfully that clerical salaries and even others in the upper brackets are not exorbitant. In fact, fire insurance companies have carried on their operations with economy so far as their salary list is concerned. With it all, this is the day of housecleaning and the vacuum cleaner is evident.

Situation in Casualty Lines

The casualty and surety situation is occasioning greater alarm than fire and marine. There are greater and more complicated problems arising in the newer forms of insurance. Casualty and surety business has had a tremendous growth. Its march has been onward and upward. In a few years the premium income of this younger member of the family has equalled and even surpassed that of the parent. Enormous reserves have amassed. Financial men began to feel that there was a gold mine in casualty and surety companies. The throttle was opened wide. Companies grew like the proverbial green bay tree. The growth has been too rapid. Companies have not been able to build their underpinnings as strongly as they should.

Excesses Have Crept In

In the great strife for business excesses of various kinds have crept in. Companies have been ultra liberal. Classes of the business that were profitable have now become unprofitable. A few years ago the surety end of a company was regarded as most desirable. The greatest losses during the last two years have come from surety operations, especially where financial guarantees were entered into and depository bonds written. Owing to outside competition, rates in a number of lines have been reduced until it is impossible to earn a profit. Now it is a Herculean task to get rates increased. The fire insurance companies that a few years ago ordered a decrease in rates are suffering from the consequences. They certainly can not get an increase in rates because of their investment losses. So long as they are making money on their underwriting, they will have to accept the consequences. They are spending large sums of money to reduce the fire rate and undoubtedly they have accomplished much along this line.

The casualty and surety companies can ask for increases with far better grace because they are actually losing money on their operations. It was only a few years ago that automobile liability insurance was the line most ardently desired. Yet today companies are faced with a continuing deficit in that line and undoubtedly will be forced to increase their rates.

Get Increase on Compensation

Compensation insurance has been "in the red" for some time. However, the companies have been successful in getting some increases along compensation lines. Personal accident and health has

become another nightmare. As already stated, some of the surety lines have almost broken the backs of companies. Actually, about the only profitable classes for the casualty companies are the so-called minor lines, such as burglary, plate glass and the like.

The supposed profits being made in the casualty and surety business led to the organization of a number of new companies and the entry of much new capital in the business. This was the most disturbing factor and caused the old standard companies in the effort to hold their business to resort to extreme measures.

Effect on Reserves

One of the greatest problems of the casualty companies is the fact that securities put up for reserves in the past, measured by the dollar standpoint, are not adequate. For instance, suppose \$5,000 was put up for a claim two years ago. That \$5,000 represented in invested securities does not represent the \$5,000 that it did at that time owing to depressed values. Therefore, the reserves from a cash value standpoint have been greatly weakened. If they are brought up to present day cash values, it will call for added contributions. Companies have been liberal in putting up reserves. This can be said especially as to companies that have had large surpluses. They saw that it paid to be liberal in this respect. A company always gets into dire trouble if it finds that its reserves have been inadequate. Can companies continue along the same liberal lines and draw on their surpluses for reserves as they have in the past? Surpluses are going to be greatly reduced. Therefore, there may be a weakening of the claim reserve structure, especially where companies have gone beyond the legal requirements and put up contingent reserves.

Surplus Will Have to Be Strengthened

Officials doubtless today see the necessity of bolstering their surpluses in every possible way. One of the big lessons learned is that it does not pay to take too much out of the business. A large surplus is greatly to be desired. These cycles of upheaval are sure to come. Therefore, they must be prepared for. When a depression of this kind affects assets, the entire surplus may be wiped out and even more even in companies that were always held to be financially invincible. It shows the necessity of strengthening the foundations in every possible way.

Fire and Casualty Conferences

There have been informal conferences between casualty and fire officials, especially as in these days when so many fire companies have casualty running mates, and the same commanding officials are at least responsible for the financial operations of both classes. Directors of companies undoubtedly have raised a number of questions as to the great casualty losses. Therefore, the chief fire executives are taking a hand in studying the more important features of casualty and surety operations.

After all, fire, casualty and surety business comes from the same source. Agents are representing the various classes of companies. The fire people have been amazed at the embarrassing situation in which the casualty and surety companies have found themselves from an acquisition standpoint.

Study the Casualty Situation

The fire officials studying the question see that the casualty folks are paying out in commissions not only compensation for production in business but for supervision of underwriting, and yet but little, if any, supervision is done. This, therefore, involves an extra expense on the companies themselves. The term "general agent" in casualty and surety means nothing. If an agent has a suf-

ficient volume of business to attract attention, he is made a "general agent." That simply means that his office is paid the top commission and in addition, the company must still do all the underwriting and service work. In fire insurance a "general agent" conducts a supervising office. He takes off from the main office much of the work that was formerly did. Therefore, the expense ratio is not increased. A general agent simply relieves the head office of supervising work.

Term Is a Misnomer

This is not true with the vast majority of "general agents" in casualty and surety. They are merely producers of business. Yet they are getting top commissions. In this way, the fire people see that the casualty and surety companies have unnecessarily run up their acquisition cost. They feel that some action should be taken to draw a line of sharp demarcation between actual producers and those that really relieve the general office of supervising and service work. Furthermore, it is found in a number of instances that while the fire companies and their agents are observing rules and regulations through local boards, the casualty and surety business is used as the leverage to lift fire business and to pay excess commission.

The fire people feel, therefore, that the casualty and surety business should undergo a real reorganization and get down to brass tacks. In other words, the fire people contend that there should be a commission for agents that do little else but produce, and another for bona fide general agents. It may be that the casualty people like the fire will have to have certain "excepted cities." There is a general demand, however, for an overhauling of the acquisition cost system in the casualty and surety business.

Pennsylvania Commissioner Is Confirmed as Receiver

The Pennsylvania supreme court, middle district, has confirmed the Pennsylvania commissioner as receiver for the Equitable Casualty & Surety, succeeding W. J. Robinson, who was appointed by the court of common pleas of Allegheny county immediately after the New York department was authorized to liquidate the Equitable.

In May of this year the attorney general filed a petition in the common pleas court of Dauphin county (Harrisburg) requesting the court to appoint the commissioner as receiver in Pennsylvania and requesting an order on Robinson to turn over all property to the commissioner.

Robinson filed an answer, admitting insolvency, but denying the jurisdiction of the Dauphin county court. Thereafter the court in Dauphin county appointed the commissioner receiver and Robinson appealed from that decree.

The supreme court in affirming the appointment of the commissioner cites section 502 providing that whenever an insurer becomes insolvent, the commissioner shall communicate with the attorney general, who may apply to the court of common pleas of Dauphin county, for an order to show cause why its business should not be closed up and the commissioner take possession. Section 507 provides that whenever a receiver is appointed by any court in Pennsylvania, on motion of the attorney general at the instance of the commissioner, such receiver shall forthwith supersede any receiver previously appointed by the decree of any court of Pennsylvania. This section, according to the supreme court, does not limit the supersession of receiver to domestic companies, but includes receivers appointed by the court for all companies whether domestic, alien or foreign.

It's folly to talk about treasures in heaven if you're dodging your taxes on earth.



Established in 1869, the London Guarantee is one of the oldest and strongest casualty companies in the world.

MODERN PERCEPTION

Another year passes and 1932 arrives with its many opportunities. Safe principles of insurance always guide the London Guarantee. This, plus modern perception of conditions in the field of insurance accounts for the recognized leading position the London Guarantee occupies.

We approach the future with confidence—prepared to meet the problems of the coming year.

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FIDELITY AND SURETY NEWS

Wisconsin State Fund Bill

**Levy 1 Percent on Public Deposits and
Relieve Officials of Responsibility
for Loss**

MADISON, WIS., Dec. 9.—Under a suspension of rules both houses of the Wisconsin legislature gave almost unanimous approval for the state depository fund bill. Governor La Follette is expected to sign the bill at once, as Dec. 10 is the deadline for the designation of county depositories.

There were only two votes against the bill in the assembly and one in the senate. A number of senate conservatives said that while they objected to the principle of the state going into business, they were compelled to vote for the bill because of the necessity caused by present conditions.

Under this measure the state would collect 1 percent on public funds and treasurers of all governmental units would be relieved of liability for loss of public funds in depositories which are bonded by the state.

Can't Sue County Board Men When the Treasurer Steals

The United States circuit court of appeals for the 5th circuit (Georgia) has decided against the American Surety, which sought the right to hold county commissioners individually liable for the defalcations of a county treasurer. The case was the American Surety vs. Robinson et al. The American Surety, in its bill for subrogation to the right of the county to hold its county commissioners individually liable, set up that the county commissioners neglected to audit each claim presented against the county and to register it, if allowed, and issue an order on the county treasurer payable to the claimant.

The American Surety charged that the commissioners signed a number of orders, blank as to payee and amount, for the treasurer to fill in. The treasurer, the bill continues, filled out some of the orders to fictitious persons, forging the endorsements of the payees, took the money himself, and used the false orders of vouchers to balance his account.

The American Surety did not charge that the commissioners knew of or con-

nived in the theft, or got any of the money, but only that they were grossly neglectful, giving opportunity for dishonesty.

The court held that even if it be supposed that the county could have held the commissioners liable for negligence, there can be no subrogation of the surety. Although the surety may often be subrogated to the independent rights of action of the creditor against third parties, this can never happen when the third party if held liable in the first instance, would have had recourse over on the principal and his surety.

Under the Georgia code of 1911, Secs. 291 and 12, if the county had held the commissioners liable for the money misappropriated, they, being thus injured by the official misconduct of the treasurer, would have had a right of action on the bond as obligees. The surety could not have defended on account of mere neglect on the part of commissioners. It is not negligence, but knowledge of or participation in the acts of defalcation, that would protect the surety from liability and entitle him to subrogation.

Deming Is Newark Speaker

NEWARK, Dec. 9.—Richard Deming, vice-president American Surety, gave an interesting outline of "Present Day Contract Bond Underwriting Principles" before the members of the Surety Underwriters Association of New Jersey at a luncheon meeting which was attended by a large number of members and guests. The annual meeting will be held next month.

Home Indemnity's Big Bond

The largest bond ever written covering an equipment contract awarded by the board of transportation of New York City has been written by the Home Indemnity. It is in the amount of \$2,106,300 and covers performance of a \$10,531,500 contract recently awarded the American Car & Foundry Co. by the board of transportation for the manufacture and equipment of 500 steel passenger cars to be used on the Long Island City, Bronx and Brooklyn sections of the new subway system. Co-sureties are the American Surety, National Surety, Fidelity & Deposit, Fidelity & Casualty, Globe Indemnity, Massachusetts Bonding, United States Fidelity & Guaranty, Standard Surety, New York Casualty and Concord Casualty.

CASUALTY PERSONALS

Casualty field men with headquarters in Indianapolis are devoting themselves to the pastime of bowling in an organized fashion. The schedule is arranged and other details supervised by the Casualty Insurance Bowling League of which Tom Crowley is secretary and H. E. Schornstein is assistant secretary. Bulletins are issued giving scores by teams and individual averages together with sport comment. The Glens Falls team is in the lead with the New Amsterdam second. A. Whittemore with 191 has the highest individual average. R. Lindeman is second with 189 and F. H. Schmitt, third, with 184.

George G. Goetz of Hoff & Goetz, Milwaukee, managers for the United States Fidelity & Guaranty, has been re-elected president of the Milwaukee county council Boy Scouts of America.

John W. Blevins of Chattanooga, Tenn., until recently vice-president and manager of agencies of the Interstate Life & Accident, sustained a fractured right shoulder, fractured rib and a badly

bruised side, when his car crashed into the curb after it was struck from the rear by another car.

John A. Scudder, who was recently made associate manager of the insurance department of the Old First National Company of Fort Wayne, was formerly with Foster & Messick, Indianapolis managers of the United States Fidelity & Guaranty, for nine years. It was erroneously reported in a recent issue that Mr. Scudder hailed from Annapolis, Md.

R. Howard Bland, president United States Fidelity & Guaranty, was a member of the party of Governor A. C. Ritchie of Maryland which recently visited Chicago. Governor Ritchie is being prominently mentioned as a presidential candidate.

H. Kenneth Cassidy, general agent of the Pacific Mutual at Houston, a captain overseas during the war, already the possessor of that most coveted of American decorations, the Distinguished

Service Cross, has been awarded the additional honor of an oak leaf cluster to be placed on it. The cluster, by direction of President Hoover, was given for extraordinary heroism in action near Ancerville, France, May 4-5, 1918, and will be presented soon by the commanding general of the seventh corps area at Omaha with the usual formal ceremony of a turnout of the entire command, a hollow square, etc.

F. J. O'Neill, president of the Royal Indemnity, is spending some time in San Francisco.

Funeral services for Mrs. Anna Glass Paddock, 85, widow of Jerome O. Paddock, founder of the Time, were held in Racine, Wis. last week. Mrs. Paddock died in Hollywood, Cal.

Kenneth Torrance, son of J. H. Torrance, vice-president of the Business Men's Assurance, and a nephew of President W. T. Grant, was killed Dec. 6 when the automobile in which he and companions were riding turned over on the outskirts of Kansas City.

An honor graduate of the University of Missouri in 1929, Kenneth Torrance headed the reinsurance and group insurance department of the company at the time of his death. He was 24 years old.

Executive Committee of H. & A. Conference Meets (CONTINUED FROM PAGE 30)

12 months. On policies requiring house confinement, not more than 50 percent indemnity will be paid for non-confining sickness.

It is agreed that companies will not go on any risk without notifying other interested companies where the applicant has or will have, with the insurance to be issued, more than \$500 monthly indemnity and/or more than \$25,000 accidental death benefit.

Age Limits Defined

Age limits for combination accident and health policies are set at 18 to 55, with a level rate from 18 to 50. On policies issued after age 50 the rate is to be increased 12½ percent (on health-only policies 20 percent). After age 56 all benefits and all claims, including those previously incurred, will be reduced 10 percent per year until age 61 and 5 percent thereafter. A level premium is to be charged for accident-only from 18 to 60; after age 61 benefits and claims to be reduced 10 percent per year. On policies issued after age 60, premiums may be increased 25 percent in lieu of reduction of benefits.

It is agreed that a guaranteed renewable policy may be issued without medical examination, but that the period for which indemnity for loss of time shall be paid shall not exceed two years.

Qualifications for Membership

The committee on qualifications for membership, appointed at the Washington meeting, was not ready to submit a formal report, but Chairman W. T. Grant, Business Men's Assurance, outlined some of the requirements which might be made in connection with new companies entering the conference, including some provision as to the age of the company, possibly that it should have filed at least one or two annual statements with the insurance departments; a minimum of business written and a requirement that the company submit its policy forms and rates to the executive secretary of the conference, merely to see that they are not out of line with accepted underwriting practices so far as to make their use dangerous to the company. These requirements, if adopted, would not be made retroactive, but would apply solely to companies entering the conference hereafter.

CASUALTY ASSOCIATION NEWS

Name Officers at Louisville

Ernest B. Williams Heads Casualty & Surety Association There—Pick Legislative Committee

LOUISVILLE, Dec. 9.—The Louisville Casualty & Surety Association at its annual meeting here Friday elected

Ernest B. Williams, Liberty Fire, president; M. O. Diggs, United States Fidelity & Guaranty, vice-president, and E. B. Stout, Jr., Hartford Accident & Indemnity, secretary-treasurer. W. G. Meinhardt of Edward J. Miller & Co. was the retiring president.

Looking forward to handling anticipated legislation at Frankfort in January, when the Kentucky legislature will again meet, a legislative committee was named composed of R. R. Williams,

Aetna; W. A. Reisert, of W. A. Reisert & Co.; Mr. Meinhardt, Allen Smith, National Surety; Mr. Diggs and Ernest B. Williams.

Give Operetta for Charity

BALTIMORE, Dec. 9.—The performance of "The Gypsy Rover," given by the Effandee Club of the Fidelity & Deposit Thursday night made \$800 for the unemployment relief fund. The operetta, of which this was the second presentation, was given under the auspices of the Casualty & Surety Club of Baltimore.

Centralize

NATIONAL SERVICE

Automobile
Plate Glass
Burglary
Public Liability
Compensation
Accident and Health
Insurance
Fidelity and Surety
Bonds

CAPITAL
\$1,000,000

SURPLUS
TO
POLICYHOLDERS
\$2,000,000

RESOURCES
\$4,000,000



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CENTRAL agents not only find it very convenient to "Centralize" where all their lines can be handled but this Centralization also makes possible such special and popular coverages as our

All-In-One Residence Policy
Auto Endorsement
covering other passengers
Non-Cancellable Auto. Accident
Deductible Plate Glass
Bail and Release of Attachment Bonds
With Auto Policy

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CENTRAL SURETY AND INSURANCE CORPORATION

KANSAS CITY

MISSOURI

DENNIS HUDSON, President

SPECIALISTS IN AUTOMOBILE INSURANCE

You never know

Eight deaths besides many seriously injured in auto accidents one recent rainy Sunday in Chicago is grim proof that cautionary measures must be exercised in fall and winter driving.

Mild weather — short dark days — uncertain shadows—glaring lights—wet roads which cause unexpected skids—all test the skill of the motorist. Accidents happen so fast and unexpectedly that even for the most careful driver the only "peace of mind" comes in knowing FULL COVERAGE AUTOMOBILE INSURANCE such as that offered by the Illinois National Casualty gives complete protection.

Our policies are safe and sound and yet enable Illinois and Indiana to offer stock company indemnity to their clients at lower rates. Our method of servicing and handling agents will appeal to you as much as it does those now representing us. Prepare for the New Year now by inquiring about our agency proposition.



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Liability Problem Is a Major Worry

(CONTINUED FROM PAGE 29)

education of the public to claim making, and the tendency of juries to award higher damage verdicts, the future of automobile insurance to the carriers is anything but bright. Companies are loath to increase rates upon the business, realizing that every advance means further sales resistance on the part of the assured and trouble for the agency force, and only resort to increases when no other course is open to them if they are to furnish sound indemnity.

Federation Forced to Curtail Work

(CONTINUED FROM PAGE 29)

Association of Casualty & Surety Executives would not authorize more than \$10,000 toward the federation's expenses for 1932. Mr. Jones stated that there was no intention of minimizing the importance of the work of the federation but because of present business conditions the association is curtailing its expenditures.

The provision for companies not members of the association is that they be assessed for their proportion of the budget. The total from this source was about \$6,000 for the present year. However, if this is reduced in proportion it would mean a large curtailment of income.

The budget envisaged by these conditions would allow only for keeping the New York office staff of the federation's secretary, J. T. Hutchinson, and his assistants here. W. W. Belson, field assistant, is leaving the federation to take a position with a transportation company in Wisconsin, Jan. 1.

Seeks Refund from Bank

ST. LOUIS, Dec. 9.—A refund of \$77,944 paid to the Grand National Bank of St. Louis as a result of the sensational robbery of the bank's safety deposit vault on May 25, 1930, is sought by the Fidelity & Deposit in a suit filed in federal court here. The F. & D. had two bankers blanket bonds for \$150,000 on the bank.

It is seeking the refund on the ground that recovery of bonds taken in the robbery and the issuance of duplicate certificates to replace stocks taken by the bandits has reduced the bank's actual loss to only \$46,895. It has paid the bank \$125,000 and asks recovery for the difference between that amount and the bank's actual loss.

Ed Mays, president of the Grand National Bank, commenting on the suit, said that the bank figured it owed the insurer a refund of but \$15,000 and had tendered that amount but the Fidelity & Deposit refused to accept it.

Plan Casualty Credit Bureau

SEATTLE, WASH., Dec. 9.—A casualty credit bureau for the Pacific Coast is being considered by a group of company representatives and general agents here. According to Ralph Hall, United Pacific Casualty, the plan would correspond to the division of the Pacific Board handling the reports on delinquent agencies.

Crash Verdicts Total \$160,900

JERSEY CITY, Dec. 9.—In the case here in which Mrs. Dina Boele and Mrs. Mary Henderson sued the Colonial Airways for \$100,000 each for the loss of their son and husband, respectively, a jury awarded Mrs. Dina Boele \$38,000 and Mrs. Henderson \$33,900. The two were among the 14 killed when a Colonial plane crashed March 17, 1929. This brings the total of verdicts against the company because of the crash to \$160,900. The U. S. Aviation Underwriters was the insurer.

Ownership of Sub-Agency Plant Issue in Iowa Case

DES MOINES, Dec. 9.—Olmsted, Inc., Des Moines general agency, has been awarded \$19,000 damages against the Maryland Casualty and J. R. Buckton, branch office manager here, in a jury trial involving the question of who owns a sub-agency plant. The Maryland Casualty has petitioned for a new trial.

Olmsted had sued for \$37,000, including \$22,000 damages and \$15,000 exemplary damages, and won the \$19,000, \$14,000 actual and \$5,000 exemplary damages.

Olmsted, Inc., became general agent for the Maryland Casualty in July, 1925, representing the company in 48 Iowa counties. It alleges that the Maryland Casualty sent Mr. Buckton to Des Moines in 1929, ostensibly as a special agent, working through the Olmsted agency. Nine weeks later the company cancelled the Olmsted contract and opened a branch office with Mr. Buckton as manager.

The Olmsted agency contended in its suit that Buckton conspired with his company to familiarize himself with the Olmsted agency force, then when the branch office was opened, used his knowledge of their business to attract agents away from Olmsted. The defense contended that since the company licensed the sub-agent they were agents of the Maryland Casualty and not of the Olmsted office. It is claimed that there is no case setting a precedent on this question in any state.

Louisville Claim Men Elect

LOUISVILLE, Dec. 9.—The Louisville Claim Men's Association held its annual meeting Dec. 7.

R. P. Long, Aetna Casualty, was elected president; Col. George L. Hoffman, Travelers, former president, was named vice-president; Capt. J. J. Nutter, Kentucky & Indiana Terminal Railroad, secretary; and J. J. Ethridge, Aetna Casualty, treasurer.

J. J. Fleming, Century Indemnity, former president, said numerous bills could be anticipated in the 1932 session of the legislature in January. He discussed possibilities of compulsory insurance legislation being introduced, and suggested that the legislative committee watch all developments closely, but endeavor to keep out of the limelight, as either for or against any legislation introduced, unless forced to do so.

Federal Auto Judgments Final

ST. LOUIS, Dec. 9.—Default judgments for about \$400,000, representing claims against 6,500 subscribers of the defunct Federal Automobile Insurance Association of Indianapolis became final Dec. 8 with the passing of the final day for filing appeals.

Receiver Abeken will now take immediate steps to levy on the property of the subscribers to collect not only the amounts of the extra assessments but court costs, legal fees and other costs arising out of the suits.

It is understood that similar actions have been instituted against subscribers of the defunct reciprocal in other states.

Asks Liberty Surety Receiver

Alleging mismanagement on the part of former officials of the Liberty Surety Bond of Trenton, a group of shareholders have applied to the New Jersey chancery court for the appointment of a receiver for the company. An order to show cause why the application be not granted was issued returnable Dec. 15. The Liberty Surety Bond was taken over by the Commonwealth Casualty of Philadelphia a short time ago.

Licensed in Canada

Authority to operate in Canada has been granted the American Constitution Fire of New York.

Today's problems handled by modern methods

*A*dherence to obsolete methods has never handicapped Lloyds Casualty Company in its fifty-two years of existence, because it is continually keeping abreast with present-day methods.

The whole operating organization of Lloyds Casualty Company is composed of men grounded in all phases of Casualty and Surety work. Lloyds Casualty agents find considerable pride in representing an old company using all modern methods.

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Open territory is at times available for the right type agent. If you are interested

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CHANGES IN CASUALTY FIELD

Esper Agency Superintendent

Important Changes Made by Detroit Fidelity & Surety in Both Home Office and Field

DETROIT, Dec. 9.—The Detroit Fidelity & Surety has appointed Fred C. Esper, who has been assistant treasurer, as agency superintendent. He succeeds George R. Wentz, who has joined the St. Paul-Mercury Indemnity. Mr. Esper will continue his duties as assistant treasurer but will spend most of his time on agency development work.

The Detroit Fidelity & Surety has launched a drive for the rehabilitation of its agency force. Agencies whose business has proved unprofitable are being eliminated and new agency connections designed to strengthen the company's coverage of the country are being lined up.

Mr. Esper has just returned from a swing around the country, visiting Chicago, Kansas City, Topeka, Dallas, Minneapolis and St. Paul, Buffalo, Pittsburgh, Cleveland, Dayton and other cities, and will leave within a few days for another similar trip in other territory.

M. J. Hogan, who has been branch manager for the company in Pittsburgh, has resigned and W. J. Eschenbach, who has been assistant manager for

some time, has succeeded him. W. J. Schumaker, who has been general agent in Buffalo for the casualty lines of the Lloyds group, has added the surety lines as well, representing the Detroit Fidelity & Surety. The Charles J. Hedwall Company of Minneapolis, general agents for Lloyds Casualty for Minnesota and North and South Dakota, has been appointed general agent for the Detroit Fidelity & Surety for Minnesota. M. B. Adams has been appointed special agent, covering a portion of Texas out of the office of T. A. Manning & Sons, general agents in Dallas.

Dallas Office Moved

The southwestern offices of the Fidelity & Casualty have been moved from the tenth to the 16th floor of the Santa Fe building, Dallas. The southwestern offices were established in October, 1929, under the direction of Tillou Forbes, southwestern resident manager. Since that time the company has shown a nice volume of business in Texas and in February, 1931, Louisiana was added to the Dallas office. A district office has been opened in New Orleans with Ed. C. Hanson, Jr., in charge.

D. A. Carter Resigns

D. A. Carter, special agent for the Constitution Indemnity with headquarters at Kansas City, has resigned.

WORKMEN'S COMPENSATION

Debate Longshoremen's Act

Federal Compensation Measure Under Fire in Case Before United States Supreme Court

The federal longshoremen's and harbor workers' compensation act is facing a test in the cases of Crowell et al. vs. Benson before the U. S. Supreme Court, in which an adverse decision on the validity of provisions of the act would make ineffectual any attempt of Congress to extend its benefits to other fields, such as interstate transportation, Solicitor-General Thacher told the court. The important point at issue was the provision in the act that decisions of an administrative official on questions of fact shall be final.

Mr. Thacher asked why Congress could not decide that men should be quickly and definitely compensated for injuries instead of being compelled to drag their cases through the courts. The counsel for Charles Benson urged that the provisions be declared unconstitutional because, he said, "if we can concede to Congress the power to prevent the constitutional courts from considering questions of this kind there are no limits to which it may go."

Mr. Smith admitted that Congress has the right to delegate matters within the scope of its legislative powers to administrative tribunals but he held that it does not have the power to delegate matters which come within the realm of judicial power. He insisted that the Supreme Court consistently had held that an administrative tribunal such as that constituted by the federal act could not pass upon jurisdictional questions.

Argument Advanced

In the Benson case, he said, it was claimed that an administrative tribunal can pass upon the jurisdictional question of whether the relationship of employer and employe actually existed. He urged that even though the court should find that such powers could be delegated, nevertheless Congress in this instance did not intend to do so, and he sought to show that certain omissions from the

statute indicate clearly that Congress had no intention of providing for an appeal in which question of facts decided by the administrative body could not be reviewed.

In the Benson case a deputy commissioner under the law determined that an employer-employee relationship existed between Mr. Benson and J. B. Knudsen, and awarded compensation for injury sustained by Knudsen. Knudsen filed a bill in equity in the United States district court seeking to have award set aside on the ground it was not in accordance with law because Knudsen was not in Benson's employ at the time of injury.

The district judge transferred suit to the admiralty side of the court and after trial entered a decree setting aside the commissioner's award and permanently enjoining its enforcement. The district court held that unless the statute provided for a new trial the act was beyond the power of Congress, and that in order to hold the act constitutional it must follow that the district court may disregard entirely the proceedings before the commissioner and hear the case as upon an original proceeding. The circuit court of appeals found that the longshoremen's act did provide for a new trial and upheld the district court's findings.

Missouri Hearing Dec. 16

ST. LOUIS, Dec. 9.—Superintendent Thompson has called a public hearing for Dec. 16 to consider a general revision of Missouri workmen's compensation rates to become effective Jan. 1. The National Council on Workmen's Compensation Insurance has filed new schedules calling for a large number of increases and a few decreases. The average increase is from 8 to 9 percent.

Can't Deduct Malpractice Award

ST. PAUL, Dec. 9.—Money recovered from a physician for malpractice can not be deducted from a compensation award, the industrial commission holds in a case involving the Pennsylvania Surety.

A workman who had been awarded compensation recovered \$462 from a

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physician for malpractice. The compensation carrier did not contest the award but claimed a deduction under the Minnesota law. The commission held that "the legislature did not intend that the employer have the right to deduct for damages that might be recovered in a malpractice action brought against the attending physician, even though the action itself arose out of acts of the attending physician in treating the employee for injuries sustained in the accident for which compensation was awarded."

Employer's Son Covered

MADISON, WIS., Dec. 9.—A mother who hires her son and insures him with her other employees is entitled to collect compensation for his injury or death as though he were not her own son, the circuit court here held in the appeal from a finding of the Wisconsin industrial commission that Mrs. Minnie Boss, who runs a farm near Oshkosh, was

entitled to \$1,200 for the death of her son while he was in her employ. The insurer contended that Mrs. Boss could not be placed in the position of paying compensation to herself under the statutes, asserting that she should be a co-defendant with the company. The court said there is no necessity for findings against the employer, since after the employer has taken out insurance, the insurance company is alone responsible.

Quit Ohio, Get Better Rates

Lower workmen's compensation payments have been secured by the Emery-Riddle Air Lines, operating from Cleveland, O., to Fort Worth, Tex., by requiring 35 pilots to shift their home addresses from Ohio to other states. The Ohio law requires a payment of \$21.35 on each \$100 of salary received by pilots. The lines maintain a scale from \$500 to \$700 for pilots.

ACCIDENT AND HEALTH FIELD

Sorensen Asks A. & H. Rules

Nebraska Attorney-General Calls on Commissioner Herdman for Order Affecting All Policies

LINCOLN, NEB., Dec. 9.—Attorney General Sorensen has filed a petition with Commissioner Herdman asking for an order requiring that all health and accident policies be subject to these rules: "That the provisions in all of them shall be couched in language which clearly and unequivocally defines the liability of the company and the rights of the insured," and "that the provisions in such policies shall conform to the advertisements and representations of the insurance company offering the policy to the public, and that in case of conflict the authorized advertisements of the company shall govern over any provision to the contrary in the policy."

He asked that a date be set for hearing, and that notice be given to all interested parties, and Dec. 17 was designated.

New Conference Directory Unusually Comprehensive

Harold R. Gordon, executive secretary of the Health & Accident Underwriters Conference, has just issued an unusually comprehensive Conference Directory. It includes the officers and committees of the conference, a general statement as to its activities, the constitution and by-laws, code of ethics and other important resolutions adopted by the conference, together with a list of the company members, showing the amount of business written last year, classes of business, states in which each company operates and the department heads to whom correspondence on various subjects should be addressed. There is also a separate listing of the companies according to classes of business written.

Health Loss Ratio Low

PHILADELPHIA, Dec. 9.—Accident and health departments of Philadelphia casualty companies report that the loss ratio on health insurance, usually the "hot spot" of the business is surprisingly low. The customary run of influenza cases has not been experienced so far this year and right now the loss ratio is about what it is usually in the middle of summer. Physicians have reported what amounts to virtually an epidemic of colds, but most of these are not severe enough to cause any loss of time and where they do the waiting period usually covers the time lost.

On the other hand, there has been a decided increase in the number of small accident claims, although whether this

will be sufficient to affect the loss ratio has not yet been determined. Many of these are of a type where the policyholder would ordinarily not bother to put in a claim but unemployment and the depression have created a situation where "every little bit helps."

New Penny-a-Day Company

ST. PAUL, Dec. 9.—The Old Equity Insurance Co. has started writing accident and health insurance in this state on an assessment basis. It is also licensed to write life insurance but for the present is not entering that field. It will write a penny-a-day accident policy and a 3-cent-a-day health and accident policy and intends to make an intensive campaign for business.

Gilbert C. Rode, St. Paul, is president; M. J. Somers, Minneapolis, vice-president and sales manager; J. H. Burwell, St. Paul, secretary, and R. O. Kuschel, St. Paul, treasurer.

Work on Standardization

Details of the program to become effective March 1 for the standardization of leading clauses were discussed at a meeting of the underwriting committee of the Bureau of Personal Accident & Health Underwriters Wednesday.

Claim Association Dates Set

The 1932 annual meeting of the International Claim Association is to be held at White Sulphur Springs Sept. 12-14, according to T. F. Hickey, superintendent of claims, Metropolitan Life, who is chairman of the association's executive committee.

Revive Kansas City Club

KANSAS CITY, MO., Dec. 9.—The Kansas City Accident & Health Managers Club, inactive for several months, is renewing its activities, and will inaugurate a membership campaign and regular meetings following the holidays. Plans are being worked out by a group including F. L. Hildebrand, Provident Life & Accident; Ralph Hangar, Maryland Casualty; R. H. Reddington, North American Accident; H. H. Strayer, Central Surety, and Douglas Marks, Marks Agency. The club now has 20 members and expects to have 40 by summer.

Confer on Teachers Groups

At a conference of companies writing group disability business held in Chicago Friday, it was not possible to secure unanimous agreement on some of the points at issue and it was therefore found necessary to postpone the effective date for the new rules governing the writing of that class of business, which were tentatively agreed upon at a meeting in September. L. D. Edson

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Until January 1st, 1932.....	2.00 per 100
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Policies issued prior to January 1st, 1932, adjusted to the above basis. This Policy sells itself. All you have to do is to tell them about it.

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PARTIAL PAYMENT PREMIUM PLAN

THE unusual, easy plan of paying Belt Casualty automobile insurance premiums appeals to both policyholders and agents. No longer is it necessary for agents to lose income because prospects are unable to pay the total annual premium at one time. The Belt plan enables a prospect to pay as he gets paid. This one feature alone has enabled Belt Casualty agents to close business that otherwise might be lost.

This plan plus the fair Belt rates, the quality protection, common-sense claim and adjustment policy, nation-wide service, a financially responsible company and an unusual agency contract that provides thorough training forms a combination that is unbeatable—a combination that enables Belt Casualty agents to maintain a fine automobile premium income.

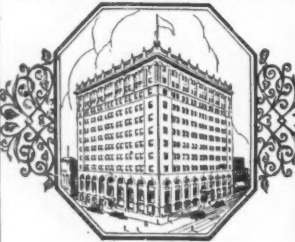
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of the Zurich, presiding at the meeting, emphasized, however, that the conference is still a live organization, has already accomplished much toward stabilizing the business in that field and expects to secure still further results in the near future.

In attendance at the meeting Friday, in addition to Mr. Edson, were Paul G. Garey, Commercial Casualty; D. W. McFall, Continental Casualty; J. P. Collins, National Casualty, and James F. Raney, Washington National.

A. L. Clotfelter Resigns

A. L. Clotfelter has resigned as senior vice-president of the Federal Life &

Casualty of Detroit. He plans to announce a new connection soon.

Mr. Clotfelter joined the Federal Casualty, predecessor of the Federal Life & Casualty, as general counsel in 1913 and served in that capacity until 1918 when he became senior vice-president. He has served in practically every capacity in the company. He is a graduate of Harvard.

Chicago Club Meets Monday

The Accident & Health Managers Club of Chicago will hold its next meeting Dec. 14 at the Hamilton Club. Dr. Edward A. Oliver, well known Chicago dermatologist, will be the speaker.

NEWS OF THE COMPANIES

Running Mates to Be Merged

American F. & M., Galveston, Will Be Consolidated with American Indemnity Under Title of Latter

A meeting of stockholders of the American Indemnity of Galveston has been called for Dec. 11 and of the American Fire & Marine, its running mate, for Dec. 10, to ratify the proposal to merge the companies under the title of the American Indemnity.

President J. F. Seinsheimer states that the new American Indemnity will have capital of \$1,000,000 and surplus, including voluntary reserves, of about \$800,000. The charter of the new American Indemnity will be amended to permit the writing of fire and tornado and will take over and continue in Texas the American F. & M.

Seinsheimer's Statement

"Present conditions," Mr. Seinsheimer states in a bulletin to agents, "require the most economic possible arrangement in carrying on business. This particularly refers to the insurance business and, consequently, having felt it would be to the advantage of all concerned to have one large, strong company, the board of directors of both companies have unanimously approved and have recommended to the stockholders of both companies amalgamation under the name of the American Indemnity Company."

Total assets of the American Indemnity, as of Dec. 31, 1930, were \$2,317,563; capital, \$600,000, and surplus, \$506,575. It started business in 1913. It owned 11,000 shares of American Fire & Marine. It owned more than 70 percent of the stock of the Texas Indemnity. It has been operating in 27 states.

Total assets of the American F. & M. as of Dec. 31, 1930, were \$2,073,409; capital, \$1,000,000; surplus, \$583,900. It was started in 1924 and also operates in 27 states.

American States Now Is Retaining Only P. L., P. D.

Arrangements have been completed by the American States of Indianapolis to reinsure automatically all fire, theft and collision business issued subsequent to Oct. 31 of this year in the Inter-Ocean Reinsurance of Cedar Rapids. The American States is retaining only liability and property damage.

Washington Mutual Liquidates

BALTIMORE, Dec. 9.—Commissioner Walsh announced this week that the Washington Mutual Casualty of Washington, D. C., had voluntarily liquidated its business in this state. The company was organized in Maryland on Jan. 1, 1931, but no new policies were written after the first six weeks, and all claims of the company have been paid, according to the commissioner.

Jeremiah Healy of New York was

president; G. W. Simmonds, Washington, vice-president; Vernon B. Lowry, Washington, secretary, and A. B. Honts, Cherrysdale, Va., treasurer. The company, it is understood, wrote a number of policies on taxicabs in Washington.

Washington Casualty Taken Over

NEWARK, Dec. 9.—Due to excessive automobile claims, along with the depreciation of securities, the New Jersey department has taken over the Washington Casualty of this city. The company was organized in 1929 and wrote automobile insurance only. Its affairs have been placed in the hands of T. A. McNicholas, assistant chief examiner and special deputy, who will liquidate the company as rapidly as possible.

The department states its capital of \$150,000 had been impaired \$130,000, leaving only about \$20,000. Efforts of officials to make up the deficiency were unsuccessful. Its statement of Dec. 31, 1930, showed \$150,000 capital, \$65,276 surplus and admitted assets of \$362,765.

Report on London Guarantee

The New York department has completed its examination of the United States branch of the London Guarantee & Accident Company of Dec. 31, 1930. The report of the examination shows admitted assets of \$15,825,809, with liabilities, exclusive of \$800,000 statutory deposit, of \$11,151,694, leaving a surplus to policyholders of \$4,674,115, which is 740,348 more than was reported by the company.

The underwriting and investment exhibit for the three-year period covered by the examination shows premiums earned of \$28,418,671 and a net underwriting gain of \$376,693 or 1.33 percent. Investment gains were \$1,335,992, after deducting a loss from the change between book and market value of securities of \$816,370. Remittances to home office during the period were \$1,529,286 and loss from operation of real estate \$8,606, the net result being an increase in surplus of \$174,793.

Declare Regular Dividend

Directors of the Continental Casualty and Continental Assurance of Chicago have declared the usual quarterly dividend of 40 cents a share to stockholders of the casualty company and 50 cents a share to those of the life company. The dividends are payable as of record Dec. 15 to the life company stockholders on Dec. 31 and to the casualty company stockholders Jan. 2.

Aetna Life Dividends

The regular quarterly dividend, payable Jan. 2, to stockholders of record Dec. 9, has been declared by the Aetna Life, Aetna Casualty and Automobile of Hartford.

Buckeye Union Directors

F. E. Jones, Jr., son of the president of the Buckeye Union Casualty, now of Columbus, O., has been elected vice-president and a director of the com-

pany. He succeeds S. O. H. Callahan. Mr. Jones operates a wholesale coal business in Detroit.

D. S. Kelsey has also been elected to the board. He succeeds D. D. Davis. He is connected with the Kelsey-Hayes corporation of Detroit.

Examination Report Given

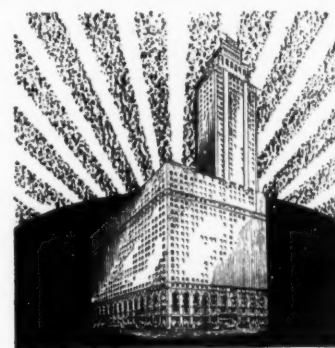
Admitted assets of the New York Casualty as of Dec. 31, 1930, were \$5,593,970, according to an examination report filed by the New York department. The capital was \$1,500,000 and surplus \$779,196, being \$29,748 more than the company claimed. Net loss to surplus of \$1,318,728 was suffered during the period between Dec. 31, 1927, and the date of the last examination.

The Auto Cab Mutual Indemnity of New York City is preparing to enter Maryland. David Scope, vice-president, was in Baltimore recently in that connection.

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6. Public Fire Protection.
7. The Basis Rate.
8. Structure.
9. Structure—Continued.
10. Structural Credits.
11. Occupancy.
12. Occupancy—Continued.
13. Occupancy—Continued.
14. Exposures.
15. Exposures—Continued.
16. Exposures—Continued.
17. Exposures—Continued.
18. Exposures—Continued.
19. Schedule Improvements.

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